

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained in attendance on the funeral of the late Representative Garrett.

The PRESIDENT pro tempore. Eighty-two Senators have answered to their names. A quorum is present. The Senator from Louisiana has the floor.

#### RECESS

Mr. McNARY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Oregon?

Mr. LONG. Yes.

Mr. McNARY. I move that the Senate take a recess until 12 o'clock to-morrow.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Oregon.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate took a recess until to-morrow, Thursday, December 15, 1932, at 12 o'clock meridian.

#### NOMINATION

*Executive nomination received by the Senate December 14 (legislative day of December 8), 1932*

##### SECRETARY OF COMMERCE

Roy D. Chapin, of Michigan, to be Secretary of Commerce, to which office he was appointed during the last recess of the Senate, vice Robert P. Lamont, resigned.

#### CONFIRMATION

*Executive nomination confirmed by the Senate December 14 (legislative day of December 8), 1932*

##### SECRETARY OF COMMERCE

Roy D. Chapin to be Secretary of Commerce.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 14, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our God, because Thou art above all, because Thou art love, because Thou art near, we humbly wait upon Thy holy will. Wilt Thou be pleased to give wisdom, understanding, and godly strength to all who seek them? We pray for Thy richest blessing upon all lawful and patriotic agencies that make for righteousness, that take up the causes of the poor and lowly. Help all those who are seeking a way of comfort and happiness for those who deserve emancipation from the ills of poverty. Almighty God, our peace is touched with pain to-day. Another loyal servant of the Republic has left us. The solemn pace moves on unafrighted to the welcome land, where summer sings and never dies. Holy Comforter, hover near, hover gently to those whose lives He guarded and whose hearts He blest. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On July 11, 1932:

H. R. 10600. An act to exempt from the quota husbands of American citizens.

On December 13, 1932:

H. R. 1778. An act for the relief of John S. Shaw; and

H. J. Res. 503. Joint resolution authorizing the payment of December salaries of officers and employees of the Senate and House of Representatives, Capitol, police, etc., on the 20th day of that month.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed the following resolution:

##### Senate Resolution 304

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. DANIEL E. GARRETT, late a Representative from the State of Texas.

*Resolved*, That a committee of nine Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

*Resolved*, That the secretary communicate these resolutions to the House of Representatives, and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the deceased Representative the Senate do now take a recess until 12 o'clock meridian to-morrow.

The message also announced that pursuant to the foregoing resolutions the Vice President had appointed Mr. SHEPPARD, Mr. CONNALLY, Mr. FRAZIER, Mr. SHIPSTEAD, Mr. BRATTON, Mr. SCHALL, Mr. BARKLEY, Mr. COHEN, and Mr. REYNOLDS members of the committee on the part of the Senate to attend the funeral of the deceased Representative.

#### IDE EARLY

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask its immediate consideration.

The Clerk read as follows:

##### House Resolution 313

*Resolved*, That there shall be paid out of the contingent fund of the House to Ide Early, son of William Early, late an employee of the House, an amount equal to six months' compensation and an additional amount, not exceeding \$250, to defray funeral expenses of the said William Early.

The resolution was agreed to.

#### ROANOKE COLONY COMMISSION

Mr. WARREN. Mr. Speaker, I offer a concurrent resolution and ask unanimous consent for its immediate consideration.

The Clerk read as follows:

##### House Concurrent Resolution 42

*Resolved by the House of Representatives (the Senate concurring)*, That section 6 of the House Concurrent Resolution establishing the United States Roanoke Colony Commission, Seventy-second Congress, be, and the same is hereby, amended to read as follows:

"Sec. 6. That the commission shall, on or before the 15th day of January, 1933, make a report to the Congress in order that enabling legislation may be enacted."

Mr. SNELL. Mr. Speaker, reserving the right to object, I would like to ask the gentleman why there is need of this extension?

Mr. WARREN. It has been impossible to hold a full meeting of the commission during the short time we have been here. The report is now in process of being prepared, and will be prepared probably in about a week.

Mr. SNELL. And there is no extra expense involved, or anything except the inability of getting the committee together?

Mr. WARREN. Nor has the commission itself spent over \$200.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The concurrent resolution was agreed to.

#### PUBLIC HEALTH

Mr. WILLIAMS of Texas. Mr. Speaker, I ask unanimous consent that a letter from the Secretary of the Treasury, transmitting a report from the Surgeon General of the United States Public Health Service, submitted in accordance with Public Resolution No. 38, Seventy-second Congress, authorizing a survey to be made as to the existing

facilities for the protection of the public health in the care and treatment of leprosy persons in the Territory of Hawaii (H. Doc. No. 470), be rereferred from the Committee on Interstate and Foreign Commerce to the Committee on Territories.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13520, with Mr. McMILLAN in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Vaults and safes: For vaults and lock-box equipments and repairs thereto in all completed and occupied public buildings under the control of the Treasury Department, and for the necessary safe equipments and repairs thereto in all public buildings under the control of the Treasury Department, whether completed and occupied or in course of construction, exclusive of personal services, except for work done by contract or for temporary job labor under exigency not exceeding at one time the sum of \$50 at any one building, \$490,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

I assume that the rather large increases of appropriation as carried in this item and in the one preceding, the amount in this item being an increase of \$340,000, are occasioned by the great number of new buildings that are now in course of construction.

Mr. BYRNS. The gentleman is correct. They estimate there will be 358 new buildings put into operation next year, and, of course, this will require additional expenditure.

The gentleman will notice that the personal-service item is limited to \$100, as in the current bill.

Mr. STAFFORD. That is, not more than \$100 for each project?

Mr. BYRNS. Yes.

The Clerk read as follows:

General expenses: To enable the Secretary of the Treasury to execute and give effect to the provisions of section 6 of the act of May 30, 1908 (U. S. C., title 31, sec. 683): For salaries of architectural, engineering, and technical personnel and inspectors in the District of Columbia and elsewhere, not otherwise provided for, not exceeding \$2,521,225; expenses of superintendence, including expenses of all inspectors and other officers and employees, on duty or detailed in connection with work on public buildings and the furnishing and equipment thereof, and the work of the Supervising Architect's Office, under orders from the Treasury Department; for the transportation of household goods, incident to change of headquarters of district engineers, construction engineers, inspection engineers, and inspectors, not in excess of 5,000 pounds at any one time, together with the necessary expense incident to packing and draying the same, not to exceed in any one year a total expenditure of \$10,000; office rent and expenses of field force, including temporary, stenographic and other assistance, in the preparation of reports and the care of public property, and so forth, advertising, office supplies, including drafting materials, especially prepared paper, typewriting machines, adding machines, and other mechanical labor-saving devices, and exchange of same; furniture, carpets, electric-light fixtures, and office equipment; telegraph and telephone service; freight, expressage, and postage incident to shipments of drawings, furniture, and supplies for the field forces, testing instruments, and so forth, including articles and supplies not usually payable from other appropriations: *Provided*, That no expenditures shall be made hereunder for transportation of operating supplies for public buildings; not to exceed \$1,000 for books of reference, law books, technical periodicals and journals; not to exceed \$72,000 for the rental of additional quarters in the District of Columbia for the Office of the Supervising Architect and incidental expenses in connection with the occupancy of such quarters; ground rent at Salamanca, N. Y., for which payment may be made in advance; contingencies of every kind and description, traveling expenses of site agents, and of employees

directed by the Secretary of the Treasury to attend meetings of technical and professional societies in connection with the work of the Office of the Supervising Architect, recording deeds and other evidences of title, photographic instruments, chemicals, plates, and photographic materials, and such other articles and supplies and such minor and incidental expenses not enumerated, connected solely with work on public buildings, the acquisition of sites, and the administrative work connected with the annual appropriations under the Supervising Architect's Office as the Secretary of the Treasury may deem necessary and specially order or approve, but not including heat, light, janitor service, awnings, curtains, or any expenses for the general maintenance of the Treasury Building, or surveys, plaster models, progress photographs, test-pit borings, or mill and shop inspections, \$3,043,525, of which amount not to exceed \$1,283,000 may be expended for personal services in the District of Columbia.

Mr. RICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICH: On page 40, line 13, after the word "journals," strike out "not to exceed \$72,000 for the rental of additional quarters in the District of Columbia for the Office of Supervising Architect and incidental expenses in connection with the occupancy of such quarters."

Mr. RICH. Mr. Chairman, I note this statement in the hearings before the committee:

The principal item of increase occurs under the appropriation for the Office of the Supervising Architect, due to the additional personnel required in connection with the public-building program and the necessary expenses incident to the operation and upkeep of a largely increased number of Federal buildings.

This is taken from the hearings before the subcommittee of the House Committee on Appropriations. The report of the committee contains this statement:

No increases are proposed over any of the amounts of the Budget estimated for the Treasury Department aside from increases made necessary on account of cadets of the Coast Guard Academy, the public-building construction program and the occupancy of new Federal post offices, marine hospitals, and other new governmental buildings. There is no additional personnel provided above that carried in the 1933 appropriations.

At the hearings of the Shannon investigating committee at South Bend, Ind., we had before us the architects' organization of the State of Indiana. They submitted to us their objection to the Government's going into the architectural business on a larger scale. The Indiana Society of Architects and the Indiana Chapter of A. I. A. submitted a statement to the committee and gave as their reason for opposing the Government's intruding upon their business the fact that they have to-day their offices, their equipment, and are able and capable of doing the work under the Supervising Architect of the Government, and state that they will do the work as cheaply as it can be done by the Federal Government, and that they are only asking for an opportunity to get some of the work which now seems to be contemplated because the Supervising Architect is spending \$72,000 for additional quarters in order that they might increase this branch of the Federal Government.

The Indiana architects state that they do not want this interference by the Government for these reasons:

First, the architects can develop the Government-building program for Indiana as expeditiously and as economically as the office of the Treasury Department, and they go on at length to show us why this can be accomplished.

Their second reason is that the Office of the Supervising Architect, in accepting complete architectural service, has taken from the local architects a problem which normally and logically belongs to them to solve.

Third, the present system tends to rob the community of its chance to point with pride to an architectural expression of its own life.

We not only have had architects from the State of Indiana appearing before our committee, but we have had architects from various parts of the country appear before us.

Mr. Chairman, we are objecting to the encroachment by the Government on the fundamental rights of the individual citizens, and in this bill to-day we are giving the Office of the Supervising Architect an opportunity to go ahead and spend \$72,000 for additional quarters, and after he gets this space, under the provisions of this bill, they will then go



out and hire additional architects and draftsmen. Why not give the architects in the local communities the opportunity and the privilege of doing this work at no greater expense to the Federal Government?

[Here the gavel fell.]

Mr. RICH. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Why not give these architects who are interested in their localities the privilege of doing something for their local communities and doing something for the Government that would be an honor and a pleasure to them, as well as a monument to the individual architect and his profession.

Also, they are capable, and under the direction of the Supervising Architect, of doing a job for the community that will be equally as good as one that could be done on the trestle board in the Supervising Architect's Office here in Washington.

Mr. ARNOLD. Will the gentleman yield?

Mr. RICH. I will.

Mr. ARNOLD. I apprehend the gentleman has testimony from one side only. From the information we get, there is a great saving to the Treasury by having these plans and specifications drawn by a regular corps of architects. Does the gentleman think that we are justified in spending hundreds of thousands of dollars additional to employ outside architects when the work can be done in the Treasury Department itself at a great saving of money?

Mr. RICH. I am for Government economy from top to bottom, but when these architects say they will do the work for the Treasury Department just as cheap, why increase this appropriation? There are in the State of Indiana 58 projects and only five have been given to local architects, the balance has been done by the Treasury Department in Washington.

Now, the department says it wants to spend \$72,000 for additional quarters. If you give \$72,000 for additional quarters you will have a dozen more architects and draftsmen. We want to stop that, we want to stop further encroachment on the rights of private citizens. Let us stop the Government from further encroachment on the business of private citizens.

Mr. ARNOLD. Will the gentleman yield?

Mr. RICH. I yield.

Mr. ARNOLD. We are appropriating something like two million dollars for outside architects, for the reason that the work can not be done in the department. If it can be shown that it is much cheaper for the department to do it, is not it an unwise policy, from a financial standpoint, to do away with the architect's office and put the work under outside architects?

Mr. RICH. As I have said, I am for Government economy from top to bottom. But these American architects say they will do the work as cheap as it can be done in the department. You set the price for them, and they will do it as cheap as the Government can do it, and why not give them the job and stop this everlasting increase in the size of bureaus, because after you organize and employ more architects you are going to have a hard time to get rid of them.

Mr. ARNOLD. I suggest to the gentleman that before he reaches a conclusion on this matter he get the other side of the picture, and not reach a conclusion from ex parte evidence, as he has related.

Mr. SHANNON. Will the gentleman yield?

Mr. RICH. I yield.

Mr. SHANNON. Is not this the argument that has always been used by the department? "Efficiency." How that word is abused by these bureaus. Everything with them is economy and efficiency, in order to give them more power.

Mr. BYRNS. I fear that my friend from Pennsylvania has fallen into the error mentioned by the gentleman from Illinois [Mr. ARNOLD] of listening to only one side of the

proposition and not getting information from the other side. If he had consulted the other side, perhaps he would not have offered this amendment.

Here is the situation: In the first place this particular provision in the bill has been carried for several years. We heard no objection on the part of the gentleman last year or the year before. It is put in simply on account of the extra work required in the Supervising Architect's Office on account of the large construction program.

As the gentleman from Illinois said, we have adopted the policy of calling in outside architects for large buildings, and in some cases for smaller buildings, where the work is congested and they are unable to get the work done promptly in the Supervising Architect's Office.

But Congress, when it provided for several hundred additional buildings, provided for additional force in the Supervising Architect's Office, to enable him to get his plans and specifications out within a reasonable time.

To do that it was necessary to provide for additional space, and this simply gives in the District of Columbia the right to acquire further additional space than that which he now has. That additional space is necessary for an additional force to complete these buildings within a reasonable time.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SHANNON. Will the gentleman tell the body how many architects are employed down here in the Supervising Architect's Office?

Mr. BYRNS. I can not tell the gentleman from memory.

Mr. SHANNON. Oh, surely the gentleman knows that.

Mr. BYRNS. The hearings show it.

Mr. SHANNON. Why, the gentleman has heard only the other side. Is it true that there are 700 architects employed doing this supervising work in the city of Washington?

Mr. BYRNS. We have had the architects before us.

Mr. SHANNON. The gentleman has not answered my question.

Mr. BYRNS. I just told the gentleman if he would consult the hearings, he would find the number.

Mr. SHANNON. Oh, the gentleman ought to know. The gentleman hears these things daily.

Mr. BYRNS. Does the gentleman know how much we spent last year for architects?

Mr. SHANNON. No.

Mr. BYRNS. The gentleman has made an investigation, and he ought to know.

Mr. SHANNON. I am not an expert; the gentleman is an expert; he is the one who is coming in and recommending these things.

Mr. BYRNS. The mere fact that my friend is unable to tell that is an indication, of course, and a justification for my not answering some particular question that he springs suddenly. Last year we spent \$2,400,000 for outside architects. This bill carries \$1,900,000 for outside architects. The Supervising Architect tells me, and Assistant Secretary Heath says, it is the policy to employ these architects on the larger buildings, as I stated a while ago; and then, when there is a congestion and they are unable to proceed promptly with the smaller buildings, it is the policy to employ them on some of the smaller buildings. I have this idea in mind from the standpoint of economy, and I have never been able to understand why, whenever we have a building that is to cost \$100,000 or \$250,000, we have to go to work and have separate sets of plans and specifications drawn for it.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BYRNS. Why should we not adopt a policy, if we have a \$250,000 building in Pennsylvania, of putting up exactly the same sort of building in the State of my friend from Missouri [Mr. SHANNON]? I can quite understand why

ladies do not like to have their dresses cut alike, but certainly the Government can not take the position that it must put up a different character of building for the same amount of money when the building is to be used for the same purpose as some other building of the same size, and I think that the Supervising Architect could save more money than he is saving now if he would standardize these buildings and save some of these architectural fees.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. COCHRAN of Missouri. The hearings before the committee of which I am a member disclosed the fact that the architects of the country are absolutely opposed to what the gentleman is talking about; that is, uniform buildings. I am in favor of uniform buildings even up to \$300,000.

Mr. BYRNS. I am in accord with the gentleman from Missouri. These architects are given 4.8 per cent commission upon the cost of the building. The gentleman from Pennsylvania [Mr. RICH] says that they are willing to do the work and do it cheaply. There is not an architect in this country whom you can employ on these public buildings for less than 4.8 per cent commission, and why? Because the American Institute of Architects fixes the fees, and there is not an architect who would dare to do it for less than the amount fixed by that institute, and that does not include anything more than the drawing of plans and specifications. They do not supervise the construction of the buildings or have anything to do with the supervision of construction. You give them 4.8 per cent for drawing the plans and specifications, and then it is necessary for the Government to put its own inspectors on the job in order to see that contractors comply with those plans and specifications. Take a building of \$500,000. Four and eight-tenths per cent on that is about \$25,000. For what purpose is it paid? Simply for drawing the plans and specifications, and no more. Talk to me about economy? There is no economy in that sort of a proposition. I am in favor of these architects having an opportunity on these larger and more monumental buildings, and that is what we are doing in this bill, because, as I told you, we carry \$1,900,000 for outside professional services, and last year it amounted to \$2,400,000. It seems to me that the architects of the country have nothing to complain of. If the Government, in the construction of these smaller buildings, which should be uniform and standardized, proposes to employ through the civil service men who are trained in architecture and put them to work down here in drawing these plans and specifications, does the gentleman contend that is not the proper thing to do from the standpoint of economy? If my good friend will study both sides of this proposition, he will find that there is no economy in his amendment.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. RICH. What does it cost the Government in percentage for the work done by the Supervising Architect's Office at the present time?

Mr. BYRNS. I have never figured that out; but it is nothing like the 4.8 per cent commission on the same class of work.

Mr. RICH. I have made the statement here that I want the work done as cheaply as possible. These men have said that they would do the work as cheaply as the Government could do it. Why not give them an opportunity to go out and make a living? They have their trestle boards in every city in the United States. Does the gentleman not believe that they would be more interested in giving each community something that is going to be a monument to themselves; something that is going to be of benefit to the community?

Mr. BYRNS. Does the gentleman know of any architect that would take the contract for less than 4.8 per cent just to draw the plans and specifications?

Mr. RICH. Why not adopt your stock plan for these buildings?

Mr. BYRNS. Is it not true that the American Institute of Architects fixes the fees for architects?

Mr. RICH. I could not tell the gentleman.

Mr. BYRNS. The gentleman ought to know that; he has investigated the matter. I say to the gentleman that is true. They do fix the fees, and he can not get that work done for less than 4.8 per cent commission.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. TABER. Is it not a fact that these architects get on the Federal pay roll and that they stay there and that it is absolutely impossible to get them off, and that instead of standardizing the plans they just go on and try to hold everybody in? Is not that about the picture?

Mr. BYRNS. No; I do not think that is the picture because this is temporary. It is a provision that was never carried until Congress set out on this very large building program.

This was made necessary because the ordinary force of the Supervising Architect was not large enough to get out the plans and specifications and put up the buildings in the time that Congress and the country expected. If we had not given them this force, they would not be anywhere near completing that program. Of course, that was not what the country expected, and it was not what the Congress expected. This was the only way it could be done. When we give him an extra force, we must give him the space in the city of Washington where they can work. This simply gives him \$72,000 with which to acquire sufficient space, if that is necessary, for these temporary employees. There is not any question, when it comes to the standpoint of economy, as to the merits of this proposition.

Mr. LA GUARDIA. Mr. Chairman, I move to strike out the last word.

Mr. BYRNS. Will the gentleman yield to me for just a minute?

Mr. LA GUARDIA. I yield.

Mr. BYRNS. I want to give some information to the gentleman from Missouri. There are about 400 technical employees here in the District of Columbia who are looking after this work.

Mr. LA GUARDIA. Mr. Chairman, I do not desire to enter into any controversy between the gentleman from Pennsylvania [Mr. RICH] and the gentleman from Tennessee [Mr. BYRNS]; but I believe that something ought to be said to offset the impression which the distinguished chairman of the Committee on Appropriations may unintentionally have left, and that is on the question of the architect's fee. Four and eight-tenths per cent is not an unreasonable fee. The architect's work does not consist of simply making a sketch of the building. He must prepare his diagrams, and he must prepare his plans, and his detail plans. For a \$500,000 building, which the gentleman took as an example, he requires quite a force of architects and draftsmen to work out and prepare the detail plans. The detail plans for a \$500,000 building would require several hundred different blue prints. It requires a trained personnel of draftsmen and architects to do that work, so that a fee of \$20,000 would not go to the head architect at all, but his expense in making these plans would be very nearly as much, and, in fact, in some instances, more than the 4.8 per cent.

I want to take this attitude: That having stood on the floor of the House in defense of workers who work with their hands, I say that people who work with their brains and also produce ought to be equally defended, and that is the stand I take. I do not believe this House wants to go on record as criticizing the Society of Architects, which fixed these fees; they are reasonable. Any man who has had experience with building knows they are reasonable. I have had experience in building in connection with city government, as well as in connection with Congress and as a member of the Committees on Military Affairs and Public Buildings and Grounds, and professionally. If the gentleman will take the costs of construction right in our own departments of the Government, the gentleman will



find, when he takes everything into consideration, including rent, overhead, clerical force, and the whole office, together with the technical and professional help necessary, that 4.8 per cent is a very reasonable fee.

Mr. BYRNS. Will the gentleman yield?

Mr. LA GUARDIA. I yield.

Mr. BYRNS. I was not criticizing the amount of the fee. I was simply stating what it was, and undertaking to answer the gentleman from Pennsylvania when the gentleman said it was cheaper to get outside architects on all of these buildings than it was to have the Supervising Architect here do the work. I make no question about the amount of the fee.

Mr. RICH. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Chairman, the chairman of the Committee on Appropriations made the statement that this amount was for quarters that had already been secured. The section of the bill to which I refer reads "not to exceed \$72,000 for the rent of additional quarters."

I do not object to the things they have already established because of this building program, but I say it is wrong for us to allow them to increase office space beyond the extent they already have. I say we are wrong in allowing these various departments to make their organizations larger and larger. As has been said by some members of the committee, we will never be able to get rid of these employees, and I say it is time to stop now.

Mr. BYRNS. Will the gentlemen yield?

Mr. RICH. I yield.

Mr. BYRNS. The gentleman refers to this as "additional quarters." These are not additional quarters.

Mr. RICH. It so states in the bill.

Mr. BYRNS. But it is the same language that was used in the bill last year. It is in addition to the regular quarters in the Treasury Building. They have had those quarters for several years, and this gives them the right to continue for 1934. It is not for additional quarters.

Mr. STAFFORD. Will the gentleman yield?

Mr. RICH. I yield.

Mr. STAFFORD. Will the chairman of the Committee on Appropriations explain the need of increasing the amount over that carried in the present appropriation bill from \$52,000 to \$72,000?

Mr. BYRNS. That was for the reason that Congress, at the last session, appropriated \$100,000,000 by way of an emergency relief measure, and 410 projects are now under consideration and being prepared for construction, and therefore it is necessary to have this slightly increased force, if these buildings are to be constructed without unnecessary delay.

Mr. RICH. Last year we appropriated \$52,000 for this purpose. Now it is being increased to \$72,000.

Mr. BYRNS. I just tried to explain to the gentleman from Wisconsin [Mr. STAFFORD] that at the last session of Congress \$100,000,000 was appropriated in addition to the regular building program, as a relief measure, and there is now under consideration the building of 410 projects. The plans and specifications have not yet been drawn. Some of them are in the course of preparation and it is necessary to add \$20,000 to enable the Supervising Architect to put those plans into execution in order that we may have them built.

Mr. RICH. The Shannon investigating committee wants the House to know that we are going to oppose this increased expenditure in business on the part of the Government, and we are not here to try to get the Government to expend additional amounts of money. We want the departments of Government operated as economically as possible, and we believe this is a detriment to the welfare of this country by increasing the size of the Supervising Architect's Office.

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania. I want to call attention to a paragraph in the hearings, which I think may conduce to the peace of mind of the gentleman from Pennsylvania. In the hearings Governor THATCHER asked Mr. Martin, of the Supervising Architect's Office:

To what extent are you employing outside architects in dealing with relief projects?

And his answer was:

I should say that practically all the large projects will be given to outside architects.

This refers to all of the large projects of the new relief program, which, as all of us know, is a very extensive program.

I merely cite this evidence as showing that there is to be very considerable employment given to the outside architects under the existing Elliot Act.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. BLACK. Mr. Chairman, I rise in favor of the amendment.

This new construction program was not an economy measure. If we were thinking of economy at the time, we would have had no construction program. The construction program was an unemployment-relief program. Let not economy stifle relief.

The architect has been one of the leading figures in the whole history of construction. We do not want the architect to be the forgotten man in the relief program. We do not want the relief program to benefit only labor, machinery, and the contractor, but, through the local architect, the relief program can benefit all the white-collared workers associated with the local architects throughout the country.

Were we going to economize on this thing, why not get up a construction gang in the War Department and send this construction gang throughout the country to build these various enterprises? Relief is the only need for this building program, unemployment relief. Economy is not and was not back of the building program.

The evil that we have been aiming at here for years, not very successfully, is the extension of bureaucracy. We have had enough bureaucracy in this country. We do not want bureaucracy to entirely dominate the relief program. We want relief, as far as possible, to be distributed locally. We do not want all of the money for relief to be spent in Washington, D. C., on bureaucracy. [Applause.]

Now, I think it is time Congress got over this very narrow-minded view it has of economy and began to think of the needs of the unemployed of this country, and God knows it is seldom we get a chance to help the white-collar unemployed. I think this amendment affords a splendid opportunity in this direction.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. RICH) there were—ayes 48, noes 40.

Mr. BYRNS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. RICH and Mr. BYRNS.

The committee again divided; and the tellers reported that there were—ayes 46, noes 73.

So the amendment was rejected.

The Clerk read as follows:

#### PUBLIC BUILDINGS, OPERATING EXPENSES

Operating force: For such personal services as the Secretary of the Treasury may deem necessary in connection with the care, maintenance, and repair of all public buildings under the control of the Treasury Department (except as hereinafter provided), together with the grounds thereof and the equipment and furnishings therein, including inspectors of buildings, repairs and equipment, assistant custodians, janitors, watchmen, laborers, and charwomen; telephone operators for the operation of telephone switchboards or equivalent telephone switchboard equipment in Federal buildings, jointly serving in each case two or more governmental activities; engineers, firemen, elevator conductors, coal passers, electricians, dynamo tenders, lampists, and wiremen; mechanical labor force in connection with said buildings, including

carpenters, plumbers, steam fitters, machinists, and painters, but in no case shall the rates of compensation for such mechanical labor force be in excess of the rates current at the time and in the place where such services are employed, \$12,320,000: *Provided*, That the foregoing appropriations shall be available for use in connection with all public buildings under the control of the Treasury Department, including the post office and its annex at North Capitol Street and Massachusetts Avenue and the customhouse in the District of Columbia, but not including any other public building in the District of Columbia, and exclusive of marine hospitals, quarantine stations, mints, branch mints, and assay offices.

Mr. BLANTON. Mr. Chairman, on page 42, line 4, I move to strike out the word "watchmen."

Mr. Chairman, the District of Columbia and this Capitol Building belong to the people of the United States. This Chamber is a place of business for the Representatives of those people. It is to the interest of the people of the United States that the orderly proceedings of this Chamber when the Congress is working on the business of the Nation be not disturbed.

The time has come, in my judgment, when in order to protect the property of the people, in order to protect the business of the people, in order to protect the orderly procedure in this Chamber, that ones who come here should come with a lawful, proper purpose, that no one during this time of stress should be admitted to the gallery of this Chamber unless he comes properly vouched for and with a proper purpose.

I think that one who enters the gallery of this House ought to go there properly vouched for. Our people back home are known to us in our districts. They should have a card from us when they enter that gallery, and the Member ought to be responsible for the proper conduct of the persons who enter the gallery on his card. [Applause.]

I think this House and the Congress owe a debt of gratitude to our friend the gentleman from Minnesota [Mr. MAAS] [applause], and to our distinguished colleague the gentlewoman from Massachusetts [Mrs. ROGERS], one of the spunkiest little women I ever saw. [Applause.]

It was the wise judgment and the stable action of these two Representatives that averted possibly a most dangerous and terrible calamity.

A person armed with a .38 caliber on a .45 stock pistol in this gallery who is a good shot could hit a dime across this Chamber. There could be numerous deaths here from the discharge of a stick of dynamite; and all this countenancing of cranks and crooks ought to stop.

An anarchist has no business in a gallery of this Capitol of the people. A crank has no business here.

A sane constituent from any district, poor or rich, has a perfect right to come here, and the people of the United States know the Representatives of this country in this Chamber are the friends of the people, that they are working hard and zealously and making many sacrifices to try to solve the present situation and bring relief to the suffering people. It does not help the people for cranks to come here and pull off disturbances.

I hope those who are in charge of the property of this Nation's Capitol will promulgate some kind of rules and regulations which will stop cranks from entering places of advantage and, well armed, menace the safety of property and business of the people, and which will keep them from the gallery, where they could destroy the property of the people in tremendous amount. Steps ought to be taken at once in this direction.

Mr. UNDERHILL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. UNDERHILL. Does not the gentleman think that such occurrences as that of yesterday are encouraged by the

criticism of some Member of Congress of the conduct of the police in trying to hold in leash these irresponsible people who come seeking trouble in Washington? A Member of Congress, because the police use other strong or emphatic language, comes out openly and criticizes the police for doing their duty in trying to protect the citizens of the Government.

Mr. BLANTON. The gentleman from Massachusetts is correct. There should be no such criticism. I have never criticized the police for forcing cranks to observe the law. I think they ought to stop the cranks on the threshold of the District of Columbia and send them back. That is how I feel about it. [Applause.]

I feel that if the newspapers would quit calling a bunch of organized anarchists, sent here with money from Russia, "hunger marchers" and would call them what they are—communists, enemies to good government, and enemies of orderly procedure—then we would get a better reaction in this country.

Inciting anarchists by undue front-page reports by the public press is what causes things of this sort to happen, and I am not afraid to say this to such reporters and agencies of the press.

I might mention that with certain reporters for certain big newspapers, and with certain press agencies I am "on the spot" from the gallery. I have been put on the spot up there for a long time, just like the racketeers in other places of the country have put certain people on the spot. Some reporters and some papers can never make a reference to me without trying to reflect upon me in some way. They do not report my speeches. They do not report what really happens. They cowardly hit me with jabs. Their reference in the Herald this morning is an unwarranted reflection and a studied effort to bring me into disrepute. They do this, forsooth, because they do not like my dry policy, they do not like my fights here to require the people of the District to pay their part of their own civic expenses in Washington. They do not like this, that, or the other policy of mine. But the people who read the RECORD over the United States are beginning to find out exactly why they attack me.

[Here the gavel fell.]

Mr. RICH. I agree with some of your statements.

Mr. BLANTON. Do you not agree with all my statements in regard to these anarchists?

Mr. CLARKE of New York. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CLARKE of New York. At this point in the bill would it be proper to offer an amendment conferring the congressional medal upon the gentlewoman from Massachusetts and the Representative from Minnesota [Mr. MAAS]? [Laughter and applause.]

The CHAIRMAN. The Chair thinks not.

Mr. RICH. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Chairman, with respect to the statement made by the gentleman from Texas [Mr. BLANTON] that each Congressman should know all of his constituents before he offers them a card of admission to the gallery, I want to state for my friend from Pennsylvania, a Democrat, who issued this card, that he is not responsible for knowing everybody in his district.

Mr. BLANTON. I meant no reflection whatever upon the gentleman from Pennsylvania [Mr. LICHTENWALNER], who probably did not know the card was issued.

Mr. RICH. This is my time; sit down. [Laughter.]

I do not believe he should be censured because he gave a card to some one who was admitted to the gallery.

Mr. BLANTON. Mr. Chairman, I did not censure and I meant no reflection whatever upon the gentleman from Pennsylvania [Mr. LICHTENWALNER], but I was seeking to get some kind of ruling here that would stop things of this sort. [Here the gavel fell.]



The Clerk read as follows:

Furniture and repairs of furniture: For furniture, carpets, and repairs of same, for completed and occupied public buildings under the control of the Treasury Department, exclusive of marine hospitals, quarantine stations, mints, branch mints, and assay offices, and for gas and electric lighting fixtures and repairs of same for completed and occupied public buildings under the control of the Treasury Department, including marine hospitals and quarantine stations, but exclusive of mints, branch mints, and assay offices, and for furniture and carpets for public buildings and extension of public buildings in course of construction which are to remain under the custody and control of the Treasury Department, exclusive of marine hospitals, quarantine stations, mints, branch mints, and assay offices, and buildings constructed for other executive departments or establishments of the Government, \$4,500,000: *Provided*, That the foregoing appropriation shall not be used for personal services except for work done under contract or for temporary job labor under exigency and not exceeding at one time the sum of \$100 at any one building: *Provided further*, That all furniture now owned by the United States in other public buildings or in buildings rented by the United States shall be used, so far as practicable, whether it corresponds with the present regulation plan for furniture or not.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

In this paragraph for furniture to furnish new public buildings we find an increase of two and a half million dollars over the appropriation carried in last year's act.

In the prior paragraph for operating force there is an increase of \$1,825,000.

There is protest going on throughout the country against the policy of the Government in constructing public buildings for postal purposes where it is patent that the cost of maintaining these public buildings is greater severalfold than the rental for private buildings which formerly provided this service for the Government.

Years back the policy that the Government followed was only to furnish public buildings where there were not adequate private buildings that could serve the purpose. We have launched upon a new policy in late years, which is more or less "pork barrel," of having a public building for the Postal Service in every community, small and large, regardless of whether there could be suitable accommodations furnished in private buildings or not.

Many years ago, perhaps 10 or 12, when I had the honor to serve with the distinguished chairman of the Appropriations Committee on the subcommittee known as the legislative, executive, and judicial appropriations subcommittee, which had jurisdiction of all the appropriations for the public buildings in the District of Columbia, I made a special study from the returns as to whether it was more economical for the Government to be housed in private office buildings for its departmental activities or whether the Government should erect these large, ornate, white marble and granite front public buildings. From the study I then made it was clear to me that the cost of maintenance and cost on bonded investment of the publicly owned building was far greater than the rental we paid for comparable service in privately owned buildings. I think you can take it as a postulate that in Government operations it is cheaper by far for the Government to rent than it is to construct and operate.

Here we have a glaring instance of the growing expenditures of the Government by reason of the Government constructing its own public buildings throughout the country. There are some instances of protest by the citizens of the locality against the public building, because they know it will be an additional burden upon them to have a publicly owned building rather than have the activities housed in a privately owned building.

As a member of the committee investigating Government competition with private enterprises, popularly known as the Shannon committee, I was amazed on learning that the Bureau of Prisons, on its own initiative, without any support whatever from the Congress of the United States, has gone into the manufacture of steel desks and steel filing equipment.

Twenty-five years ago there was a problem confronting the Congress as to how we could utilize prison labor.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. After thorough study the Congress decided, through a special committee, that at Atlanta we would manufacture cotton and duck and at Leavenworth we would occupy the imprisoned laborers in the manufacture of shoes. Now we are finding the Bureau of Prisons going also into the manufacture of steel furniture, which does not require much labor, but is a machine-made article, and going into the manufacture of bricks, and this in competition with free labor that is now out of employment.

The primal, fundamental objective in the employment of prison labor is not to have them occupied at machine-made production but to give them occupation so they will have something to do during their period of confinement; but the Bureau of Prisons has gone way beyond this proposal, and under a general authorization carried in the authorization act passed a few years ago, is going into the manufacture of steel office furniture and steel filing equipment, which anybody who knows anything about this character of manufacture knows that labor is employed to the extent of only one-tenth of the value of the output.

For one I am more concerned in giving employment to every laborer throughout the country outside of prison walls who is seeking employment, rather than taking away labor from them and giving it to the prison labor. Primarily I am opposed to the bureau trying to manufacture by machines and not giving them major employment at labor. In Leavenworth they manufacture shoes. They are not seeking primarily to give employment to prison labor but they are seeking to manufacture shoes in competition with private industry by modern machine methods.

From a humanitarian standpoint, I would keep prison labor employed, but at such articles where labor is employed to the maximum extent.

I want to ask whether it is the policy of the Committee on Appropriations to approve of this structure that is being constructed in Pennsylvania for the manufacture of steel furniture, to furnish all of the steel furniture required by the Government throughout the country?

We have here an instance of the increase in requirements for furniture. The appropriation last year was \$1,940,000, and this year it is \$4,500,000, an increase of \$2,560,000.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. LaGUARDIA. The gentleman is correct. He will remember that when the prison bill was before the House, I suggested putting in an amendment preventing the use of machinery, but it was voted down by the House.

Mr. STAFFORD. Yes. I am willing to give preference to free labor in this country who have not committed any offense against the law. I would give preference to free labor who are begging for work rather than have the Government come into competition with free labor in manufacturing furniture, bricks, brushes, textile goods, and everything. The Bureau of Prisons is seeking to go into the manufacture of all kinds of goods. Where are we going to stop?

The Bureau of Prisons is invading the rights of the private citizenry of the country who are looking for work and giving preference to these unfortunate convicts.

Mr. RICH. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. RICH. The testimony before the Shannon committee given by Mr. Bates was that he was trying to prohibit the use of machinery for doing the work, and then he turns around and puts machinery in this Pennsylvania penitentiary, doing the very thing that he said he was not going to do. The only way to stop this is by law.

Mr. STAFFORD. Am I within the realm of facts when I say that the Bureau of Prisons is adopting a policy of equipping the penitentiary in Pennsylvania with machinery

to manufacture steel filing equipment or furniture, without the approval of the Appropriations Committee?

Mr. BYRNS. I may say to the gentleman that that is not carried in this bill and I know nothing of the facts. All the questions that have been raised by the gentleman will be under consideration by the subcommittee which has charge of the Department of Justice bill, if they are proposed by these estimates. The gentleman is well aware, of course, that Congress has passed a law authorizing the equipment of this penitentiary that he speaks of.

Mr. STAFFORD. With the approval of Congress as far as the appropriation is concerned. There has been no appropriation coming before Congress where it was expressly stated for that purpose so that Congress had any knowledge of what the money was going to be used for.

Mr. BYRNS. Congress some time ago created a working capital fund for prison use.

Mr. STAFFORD. But the law provides that they must come to Congress for appropriations for equipment and construction purposes. I do not recall any item where we passed any law providing for equipment and principal investment.

Mr. BYRNS. I think the gentleman will find it with relation to certain products to be used for the Government, but, as I stated to the gentleman, that is not in this bill.

Mr. STAFFORD. I am quite aware that it comes under the Department of Justice appropriation bill, but I now ask the gentleman what is the real occasion for such a large increase in the appropriation, double that of last year, carried for furniture in public buildings.

Mr. BYRNS. That is due to the fact that next year there will be 22 large buildings and 336 smaller buildings, medium-sized buildings, making a total of 358 new buildings, which will have to be furnished. Your committee cut the estimate \$100,000, although we felt that the amount recommended was moderate.

Mr. STAFFORD. Would it be agreeable to the chairman of the committee to incorporate here a limitation forbidding the expenditure of any of the moneys appropriated in this act for the purchase of articles made by prison labor?

Mr. BYRNS. I do not know what effect that would have, and I would not want to consent to an amendment that might prevent the use of these buildings after they have been constructed. I just do not know what the effect of such an amendment would be; therefore I could not consent to it. We are going to have 358 buildings completed during the next fiscal year, 22 of them large buildings and 336 of the smaller, medium-sized type. I would not want to consent to any amendment that might result in those buildings not being opened for the public in the various communities where they have been constructed. I am not in a position to advise the gentleman as to the effect of the amendment.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 43, line 22, insert at the end of the line: "And provided further, That no part of the appropriation herein shall be used for the purchase of any articles made by prison labor."

Mr. STAFFORD. Mr. Chairman, I wish to make only this further observation. The paragraph under consideration, to which the amendment relates, refers exclusively to furniture and repair of furniture. I think from what I have said in my preliminary remarks that the sentiment of this House is not in favor in these days of having this appropriation used for the purchase of prison-made goods.

Mr. BYRNS. Mr. Chairman, as I said a moment ago, I do not know what the effect of this amendment will be. I do not know whether it will have any effect at all, because I do not know to what extent this penitentiary to which the gentleman refers will manufacture. I do not know what the plans of the department are. It is a matter that did not come before the committee, and I submit to the gentleman that this amendment would be more in order and more applicable to the real merits of the proposition if he would

offer it on the bill which relates to prisons, where we probably could get the information that he desires.

In justice to the subcommittee we are not to be criticized for not having obtained this information, because there is nothing in this bill relating to the subject. We are going to open 358 new buildings next year, and I dare say there will be a building in nearly every congressional district in the United States. There will be none in mine, but 358 buildings will cover a great deal of territory. If you adopt this amendment, I do not know whether it will have any effect on the opening of those buildings or not. I judge not, but I am not certain about it. Therefore I am not in a position to accept the amendment and assume the responsibility for the possibility that some of these buildings in some of your districts may not be occupied during the fiscal year.

Mr. LaGUARDIA. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LaGUARDIA. I rise to say this, that if it is not contemplated to use prison-made furniture the amendment will do no harm, but if it is contemplated to use prison-made furniture we would better put the amendment in.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. BYRNS) there were—ayes 39, noes 45.

Mr. STAFFORD. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. STAFFORD and Mr. BYRNS to act as tellers.

The committee again divided; and the tellers reported—ayes 63, noes 72.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, I ask unanimous consent to proceed for one minute to make an announcement.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, the funeral services for the late Representative DANIEL E. GARRETT will be held to-day at 2 o'clock at the Calvary Baptist Church at Eighth and H Streets NW. The services will be very brief. I am sure the relatives will be glad to have any of Mr. GARRETT's friends who can get away from the House attend the services before the departure for Texas.

The Clerk read as follows:

Office of the Third Assistant Postmaster General, \$725,532, of which amount \$23,040 shall be available only for temporary employees.

Mr. RICH. Mr. Chairman, I offer an amendment, which I sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. RICH: Page 47, line 10, after the figure 2, strike out the words "of which amount \$23,040 shall be available only for temporary employees."

Mr. RICH. Mr. Chairman, during the hearings conducted by the Shannon investigating committee in Indiana there appeared the Brotherhoods of Railroads and Steamship Clerks, Freight Handlers, Express and Station Employees, including and representing virtually all of the employees of the Railway Agency and Southeastern Express Co. Those men complained of the fact that the Parcel Post Department of the Post Office was operated with the purpose in view of putting them out of business.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. RICH. I yield.

Mr. LaGUARDIA. Who was complaining?

Mr. RICH. The Brotherhoods of Railroad and Steamship Clerks, Freight Handlers, Express and Station Employees, representing virtually all of the employees of the Railroad Express Agency and Southeastern Express Co.

The express companies in this country in 1930 paid taxes to the Federal Government amounting to \$1,472,000. In 1929 they paid \$1,779,000. The parcel post in the year 1926 lost \$3,000,000. In 1929 it lost \$20,000,000. The policy of the



Government in 1923, as stated by the Post Office Department, was as follows:

The public policy, as evidenced by the act of Congress establishing the Parcel Post System, favored the principle that the rates for such matter shall equal the cost of service. This, too, is a wise policy, for there is no sound reason why the Government should conduct the parcel-post business, so analogous to express, for example, on principles other than that of sound business.

The Third Assistant Postmaster General is now conducting propaganda in a private office, for which this amount is asked—\$23,040—in which there is employed a gentleman to conduct the propaganda campaign by the name of J. C. Harraman, Director of the Parcel Post, who is beginning to carry out an extensive promotional campaign outlined in the last report of the Postmaster General.

In a speech made in New Jersey on June 10, Mr. Harraman, according to the newspapers, said:

From now on the Parcel Post Department will enter into a strenuous campaign of competing with the express companies. Advertising will be used and school children will be instructed how to wrap packages properly for shipment in parcel post. From now on we are in keen competition with the express companies. The bars are down to you postmasters. Go out and get the business, and the Parcel Post Service will show a profit in future years.

I complain from the standpoint that this propaganda campaign should cease as far as the Government is concerned. The Government has been offered \$2,000,000 for the advertising that could be had by placing their placards on the sides of mail trucks. Instead of that, the Government advertises on those trucks the Parcel Post System. The Government has now employed this man Harraman, who, in turn, has secured inspectors from the Post Office Department, who go out to the various manufacturing concerns in large centers and ask them to ship their merchandise by parcel post. They are starting a campaign of propaganda through this office which is detrimental to the private industries of this country.

One thing that is objectionable to the Parcel Post System is that whenever they get a certain number of clerks to handle their work, during the Christmas season or at peak times, they continue to carry those employees during the whole year, and they build up their organization to that point—

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. RICH. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. They do not want to allow their organization to dwindle as private business would do, and only employ enough clerks to take care of the business to be done by the Post Office Department. If we are going to allow an organization like that established in the office of Mr. Harraman, for which this \$23,040 is appropriated, which the Third Assistant Postmaster General told me personally was wrong, this Congress should not sanction it. Yet they are going to try to do away with these private transportation companies. I say it is absolutely wrong for the Government to go into business of this kind. I hope the members of this committee will object to this \$23,040 and stop this propaganda. We are only going into a business that we have no right to go into. We are doing that against the private industries of this country. I think it is time it stopped, and I ask the committee if it will not do away with this \$23,040, and do away with that office conducted by Mr. Harraman and stop that propaganda.

Mr. BYRNS. Mr. Chairman, I rise in opposition to the amendment.

The trouble with the gentleman's amendment is that it has absolutely no relation to what he is complaining about. It has absolutely nothing to do with parcel post or anything of that sort. This \$23,040 is for temporary services made necessary by the great increase in postal savings.

Mr. RICH. This is for temporary employees, for the purpose of stirring up propaganda.

Mr. BYRNS. Oh, if the gentleman had read the hearings he would see that is not true. I say with all due respect to the gentleman that is not correct. There is nothing more clear than the fact that these temporary employees are not used for the purpose which the gentleman seems to think they are being used for. I will read from the hearings. I am not going to ask you to take my word for it. Here is the situation: Mr. Tilton, Third Assistant Postmaster General, was asked why it was necessary to carry this particular appropriation for temporary employees. His answer will be found on page 178 of the hearings:

I will say, Mr. Chairman, that this estimate relating to salaries of \$725,532 includes \$23,040 for temporary employees, which is the same amount as was included in the appropriation for 1933 and was authorized on account of the increase in the work of the Postal Savings System. The necessity for continuing these temporary employees will be apparent when it is stated that the work of that division is continually increasing.

During the past two years of increasing activity of the Postal Savings System the increase in personnel has been 18 per cent plus, while the increase in the volume of business has been 382 per cent plus. The condition of the work has not been current during that time and is not now current. During the past fiscal year the number of depositors increased from 770,859 to approximately 1,600,000 and the deposits increased from \$538,071,741 on September 30, 1931, to \$854,767,262 on September 30, 1932.

So much, said Mr. Tilton, for the item of \$23,040. So my friend the gentleman from Pennsylvania has wholly misconceived the purpose of this appropriation. He is simply confusing with something else the temporary employees who are provided for another year to take care of this 382 per cent increase of business which has been unloaded on the service because of the increase in postal savings.

Mr. RICH. Will the committee tell us how we can find out, how the ordinary lay business man can find out, how to stop the expenditure of money by this department of Mr. Harraman's? That is what we would like to do and that is what we are here to do.

If we are wrong in this contention, then I apologize to the committee, but I think it is time the Government took some cognizance of this matter, and I ask the committee in charge of this bill to stop the operations of this particular office. If the committee can help me do that, I shall be greatly obliged to them. I think it is propaganda that should be stopped. It is paid for out of money furnished by the taxpayers of this country. The Federal Government should take cognizance of this fact and discontinue this activity, and I ask the committee to make it a point to see that this office for this propaganda ceases operations.

[Here the gavel fell.]

Mr. BYRNS. I may say to the gentleman there are 13 less employees provided next year than are being carried on the rolls this year, and there is only a limited amount that is being used for parcel post.

Mr. RICH. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. LaGUARDIA. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I fear the investigation the gentleman from Pennsylvania is undertaking has become an obsession with him, and that he sees Government competition in every section of every appropriation bill.

Now, I want to point out to the gentleman from Pennsylvania that parcel post has become a part of the postal policy of this country. The transportation of mail is a proper function of government. Parcel post was made necessary by reason of the bad services and greed of the express companies.

It took over 60 years to have parcel post in this country. I can quote no better authority to the gentleman from Pennsylvania than a distinguished son of his State, former Postmaster General John Wanamaker, who said in his day that there were three reasons in this country why we could not have parcel post, and the three reasons were the American Express Co., the Wells-Fargo Express Co., and the United States Express Co.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. LA GUARDIA. In just a moment. Two of these companies were never incorporated, and if a shipper or a consignee suffered loss, or if anyone in our city was injured by their trucks, it was necessary to dig up one of the partners—and I believe there were several thousand partners; it was a sort of a national association—to effect service in order to secure jurisdiction in our State.

Now, I say, by reason of the services given by these express companies it was necessary to adopt parcel post, and, I repeat, it took 60 years to bring it about. It is the necessary part of our postal service. The system is giving excellent service. After we had parcel post the rates of the express services went down. They are lower than they were before, and the service has improved considerably. The express companies are not so arrogant, mean, greedy, and indifferent as they were before parcel post.

I am in full sympathy with the expressions of the Clerks and Checkers Union which the gentleman quotes, but I want to say in all fairness that they are being used now by the express companies and that they had better direct their attentions to getting decent wages and decent working conditions from the express companies rather than to attempt to tear down the parcel post which has been built up in this country.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. LA GUARDIA. Just a moment. The gentleman made a tirade on parcel post. I see nothing wrong in the Post Office Department seeking to instruct shippers how to address and pack articles for shipment by parcel post. I see nothing wrong in the additional help required to take care of the increased postal savings. If we have increased postal savings, it is because the American public have been so scared by private banks they are going to deposit their small savings in the Postal Savings System where they know they are safe.

So I want to submit to the gentleman from Pennsylvania who is working so diligently on his investigation of Government competition, that there is enough in that field he can devote his energies and zeal to and leave parcel post alone, because we have had some very sad experiences with private express companies.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LA GUARDIA. I yield first to the gentleman from Pennsylvania. Then I shall yield to the gentleman from Texas.

Mr. RICH. Mr. Chairman, I do not want to leave the committee under any such false illusion as the gentleman from New York has tried to convey that I did. I do not object to the parcel post.

Mr. LA GUARDIA. Then we can agree on that.

Mr. RICH. But when the Parcel Post System goes in the hole \$20,000,000, costs the taxpayers of this country \$20,000,000, I think something should be done about it.

I am in hearty sympathy with the Parcel Post System, but I do not want it operated to the detriment of the taxpayers of the country or to the detriment of small individual corporation stockholders.

Mr. LA GUARDIA. I understand the gentleman's point.

Mr. RICH. I believe if it is properly handled it is a good thing for this country.

Mr. LA GUARDIA. Fine. Thanks for that concession.

[Here the gavel fell.]

Mr. LA GUARDIA. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LA GUARDIA. Mr. Chairman, I may say to the gentleman from Pennsylvania, he was in error when he said the extra help employed by the Post Office Department during the Christmas rush is permanent help, because it is not. It is a temporary force employed only during the period of rush.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LA GUARDIA. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman from New York is an authority on the subject of "the guaranty of bank deposits," and he has done some splendid work along that line. I wonder what he has to say as to whether or not the withdrawal of funds from small State banks and the putting of those funds into the postal savings has had anything to do with many of the bank failures over the country?

Mr. LA GUARDIA. No; I do not think so because in the first place the amount permitted in the postal savings is limited.

Mr. BLANTON. In other words, the Government has helped to wreck lots of little banks all over the country.

Mr. LA GUARDIA. Oh, no; oh, not at all.

In the first place the amount of savings in the Postal Service is limited, and, in the second place, it offers facilities that the banks can not afford. We have post offices in many places where there are no banks, and, in the third place, it has done more than any other one thing to give the American people confidence that there is at least one place where they can deposit their money and know that it is safe.

Mr. MILLARD. And, furthermore, the Government, in turn, deposits the money in the banks.

Mr. LA GUARDIA. Yes; but, of course, they have to give the Government security. I am glad the gentleman has brought that point up. Here is the Government demanding security from the banks and making an appeal to the public to come in and put their money in this system, and yet if we suggest the guaranteeing of bank deposits we are destructive, we are radical, we are unsound and unwise. But the Government when it deposits funds demands, and properly so, security, a bond, and a guaranty of its deposits.

Mr. YON. Will the gentleman yield in that connection?

Mr. LA GUARDIA. I yield to the gentleman from Florida.

Mr. YON. I agree with the gentleman with respect to the guaranty of bank deposits. I think the individual depositor should be placed in the same position as the Government; but I do know from my own personal observation in my home town during the last summer that the withdrawal of money from State banks to put into the postal savings bank started a run on a bank and ruined it.

Mr. LA GUARDIA. There are two points involved in that. First, it would not have happened if they had had a guaranty of bank deposits; and, in the second place, may I ask the capitalization of the bank the gentleman has in mind?

Mr. YON. About \$50,000.

Mr. LA GUARDIA. That is no bank. That is not even a good pawnshop. [Laughter.]

Mr. YON. That is a good-sized bank in my town.

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

The cost of parcel-post delivery has been brought into the discussion by the gentleman from Pennsylvania [Mr. RICH]. In an informative address delivered last Saturday by the gentleman from Illinois [Mr. ARNOLD] attention was directed to the cost-ascertainment report of the Post Office Department, and the gentleman asked unanimous consent to have a portion of that report incorporated in the RECORD.

I wish to emphasize the report, calling it again to the attention of the committee, because the Members, I dare say, will often have occasion to refer to it. It is found on page 340 of the RECORD. There is an itemized statement of the revenues and expenditures of the Postal Service by classes.

It shows with respect to first class or letter mail that the department estimates an excess of \$15,857,000 over expenditures, on second-class mail an estimated deficit of \$102,000,000, on third-class mail \$28,900,000, fourth-class mail, which includes largely parcel post, if not exclusively, \$32,700,000. The estimate of expenditures and revenues is segregated as to parcel post, and shows the surprising fact that the deficit is occasioned by the rates for the carriage of parcel post in three zones, namely, zones 1 and 2, which are looped together, and where the deficit is \$25,866,000; zone 3,



where the excess of expenditure over revenues is \$7,458,000; and zone 4, \$948,000.

It was my high privilege back in 1910, as a member of the Committee on the Post Office and Post Roads, to assist in drafting the bill subsequently enacted at that session of Congress providing for a Parcel Post System, and also for the establishment of the postal savings bank, both of which respective measures had my earnest support not only in the subcommittee that framed them, of which I was a member, but on the floor of the House.

We established the parcel post not primarily with the idea of driving express companies out of business, but as we had established a permanent activity of the Postal Service, namely, Rural Delivery Service, we favored utilizing that service for the benefit of the patrons and thereby derive some revenue by increasing the amount of mail carried.

The express companies were not reaching these 40,000 routes scattered all over this country, and particularly in the West and South, and we wanted to give the patrons on these routes the advantage of parcel-post delivery. We had the rural free delivery established, and accordingly we wanted to give the patrons of these routes the full maximum of service. So we established the Parcel Post Service, with rates to be determined by the Post Office Department that were remunerative, subject to the approval of the Interstate Commerce Commission. We thought that the Interstate Commerce Commission, following this express direction of Congress, would investigate the rates that the Post Office Department would fix; but, far from doing this, the Interstate Commerce Commission merely visaed any rate that the Post Office Department determined upon without any thorough investigation as to the rates being remunerative. We knew from our casual investigation of the rates established by the Post Office Department that they were not remunerative, so we changed the law, and we have recently revised the rates. [Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. We revised the rates. No one can justify the Government in any activity, whether in competition with private enterprise or not, in carrying merchandise, which is a pure business activity, and not a proper function of the Postal Service, at a rate that is not compensatory, and here you find that the Government to-day is carrying merchandise by parcel post with a loss of nearly \$35,000,000. For whom? Largely for the benefit of department stores in large cities that are crowding out the stores in the little trade centers throughout the rural districts. There is where the loss arises.

No one can justify that. We can justify utilizing our activities of the rural free delivery to the maximum so that the farmers can get the benefit, but they should pay a compensatory rate for the service rendered. It is a subsidy, pure and simple, for the benefit of the department stores in the large cities, and incidentally the benefit of the patrons using the service. The Postal Service is a party to this economic loss. It is an economic crime to drive the small merchants out of existence for the benefit of the large department stores in the cities.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. LA GUARDIA. The largest deficit is in the first zone?

Mr. STAFFORD. In the local deliveries there is an excess of receipts of \$53,000. It is in the combined first and second zone where there is the largest difference of expenditures over receipts, \$25,866,000.

Mr. LA GUARDIA. Would not that be an easy matter to correct?

Mr. STAFFORD. Yes; for the Postal Service, but why have they not done it? It is a preferential rate for the direct benefit of the department stores, and to the disadvantage of the little country merchants. It is a subsidy pure and simple.

Mr. PETTENGILL. For the benefit of the mail-order houses?

Mr. STAFFORD. Yes; I am referring to such mail-order houses as Montgomery Ward & Co. and Sears-Roebuck that send out large catalogues, getting service from the Government at less than cost. When they can not get the subsidized service they use private instrumentalities.

I took the floor primarily to direct attention to this schedule of costs of the various activities of the Postal Service, which was incorporated in the Record by the gentleman from Illinois, as worthy of study.

The Clerk read as follows:

For gas, electric power, and light, and the repair of machinery, United States Post Office Department equipment shops building, \$4,500.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. In last year's appropriation bill there was carried a provision for \$40,000 to reimburse the Government Printing Office for heat and light that was furnished to the Post Office Department Building at Massachusetts Avenue and North Capitol Street. I rise to have a statement from the chairman of the committee, inasmuch as there is a provision in the Treasury Department appropriation bill in relation to furnishing heat to these various buildings, as to what the policy of the Government is in relation to the central heating plant furnishing heat to the buildings throughout the Mall?

Mr. BYRNS. I did not quite catch the gentleman's question.

Mr. STAFFORD. In the Treasury Department appropriation bill there is a provision made for the Government furnishing heat from the central heating plant to the Pan American Union Building at not less than cost. I have followed various proposals as to heating the buildings in the Mall. Will the gentleman give the committee the benefit of the policy as to the central heating plant furnishing Government buildings with heat?

Mr. BYRNS. The plan is to heat them from the central heating plant.

Mr. STAFFORD. The present Capitol heating plant will furnish heat for the Capitol and the buildings in its environments?

Mr. BYRNS. Yes; that is true. This new plant supplies the new buildings down town.

Mr. STAFFORD. To heat all of the new buildings contemplated on the Mall?

Mr. BYRNS. That is the intent, and the central plant would be large enough to take care of all those new buildings, some of the old ones, and others to be put up in the future.

Mr. STAFFORD. There was some question a year ago as to the proper location of this central heating plant. That question I believe has been settled?

Mr. BYRNS. The central plant is down here near the water front. That has been located permanently.

Mr. STAFFORD. There was some dispute as to the location of the central heating and power plant?

Mr. BYRNS. Yes; but I do not think that was very serious. I do not think there was any serious contention that it should not be where it is now located.

Mr. STAFFORD. It is to be located on the water front where it will have the benefit of water and rail transportation?

Mr. BYRNS. Yes.

Mr. STAFFORD. I withdraw the pro forma amendment. The Clerk read as follows:

To enable the Postmaster General to pay claims for damages, occurring during the fiscal year 1934, or in prior fiscal years, to persons or property in accordance with the provisions of the deficiency appropriation act approved June 16, 1921 (U. S. C., title 5, sec. 392), \$18,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. The paragraph under consideration carries an appropriation for the adjustment of damages because of injuries to people through the torts of Government employees, mostly in the operation of postal trucks. Some time back

the gentleman from Massachusetts [Mr. UNDERHILL] introduced a bill to increase the amount of damages that the department might be authorized to settle in these cases, and this morning I expressed to him the hope that he would reintroduce the bill to see whether or not we could not in some measure relieve the Private Calendar from these little tort claims that could properly be determined and settled by department officials. The present maximum that the departments are allowed to award are sums not in excess of \$500. An exception to that is made in the case of the District of Columbia Commissioners. They are allowed to settle claims up to \$5,000.

I have followed the Private Calendar very closely, and I am naturally interested in trying to relieve the Private Calendar of the burden of many small claims that should be determined and settled by department heads. I made inquiry as to the working of this authority in the Commissioners of the District to settle claims up to \$5,000. I found there had been no abuse whatsoever, that the number of claims presented were few. I would like to see vested in the department heads authority to settle damage claims against the Government up to at least \$3,000—not only to make certain the payment of meritorious claims, but to rid Congress of the need of having claimants seek the preferred consideration of their Representatives, and many of them do not have that as they are strangers to this appeal. I can see no reason why Congress should not increase the authorization whereby department heads may be privileged to settle tort actions from \$500 up to \$3,000, and to that extent bring quick dispatch and meritorious consideration of private claims against the Government, rather than throwing the burden on the Claims Committee and the Members of the House.

The Clerk read as follows:

For pay of rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, and tolls and ferriage, Rural Delivery Service, and for the incidental expenses thereof, \$95,000,000.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. Will the Chairman explain some of these increases and decreases in these two services. Some have been decreased several millions of dollars and some are increased.

Mr. BYRNS. To what does the gentleman allude?

Mr. GOSS. We are on page 54, line 14, right now. There are various increases and decreases right along through the City Delivery Service and the Rural Service.

Mr. BYRNS. There are three increases. Those increases were brought about in this way: We received estimates from the President with reference to the Post Office Department. We conducted our hearings and had the Postmaster General and the First Assistant Postmaster General, Mr. Coleman, before us, and other employees in the first assistant's office. They all stated that the estimates submitted were necessary for the year 1934. About a week after that, possibly less, we received additional estimates, reducing the appropriations in three particular services by the sum of \$7,800,000. We asked Mr. Brown to come up and explain the matter. Those decreases applied to the appropriation for post-office clerks throughout the country and city delivery carriers throughout the country and to rural carriers. There was no testimony furnished except that from the Postmaster General. The First Assistant Postmaster General was on record as saying that the appropriations previously asked were necessary. The Postmaster General withdrew his first statement that these appropriations ought to be allowed as originally estimated and stated that he favored a departure from the heretofore accepted policy of not discharging employees. He said that the appropriations for post-office clerks could be reduced something over \$4,000,000, and that that could be done in one or two ways.

Mr. GOSS. Is the gentleman speaking now of first and second class offices?

Mr. BYRNS. Yes. If the gentleman will permit, I think I can make this clear. He said that that could be done in one of two ways, either by an additional furlough to all of the employees in the post offices throughout the country of

two and possibly three weeks, over and above that provided in the economy bill, or by the absolute discharge from the service of 3,000 post office clerks, upon the theory that the services are now overmanned. He further stated that there were 1,000 city-delivery carriers who were surplus, and he recommended a decrease in the appropriation of about \$1,250,000, and said that could be carried out either by an additional furlough of all the city carriers throughout the country of at least one week and possibly more, or by the absolute discharge from the service of 1,000 city-delivery carriers. Then he said that while he had adopted the policy of not consolidating rural routes in the past except where a vacancy occurred, he felt that 5,000 routes could be consolidated in the next fiscal year. Therefore he recommended a reduction in that appropriation, in the consolidation of the routes, which involved the discharge of something over 2,000 rural carriers.

Mr. GOSS. Now, that was the second estimate that came up?

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 10 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BYRNS. That was the second estimate that came up. That involved an entirely different change of policy, a policy which has been recommended by the President during the past two or three years, and indorsed by the Postmaster General; a policy which did not involve the discharge of any employee of the Government. Mr. Brown was asked why that change. He said it was evident now there would be no increase in postal revenues next year and that these employees would be surplus. He felt therefore that they ought to be furloughed or discharged, and he said that was his recommendation to the committee and to Congress. He was asked if that was his opinion why he did not himself discharge them last July. He was never able to offer the slightest satisfactory answer to that. Of course, it is perfectly patent to every one in this House why he did not discharge them before November 8. He was then asked, since he had not discharged them in July and since he now insisted they were surplus and there was seven-twelfths of the year remaining in which he could save seven-twelfths of \$7,800,000, why he did not act now and why he undertook to pass on to a new Postmaster General on July 1 the performance of a duty which he was unwilling to himself assume. Of course, there was no answer to that proposition.

Now, if the gentleman will permit, your committee felt that there was no reason for a departure from this plan, and turning off something over 8,000 employees of the Government beginning next July, at a time when they could not get jobs anywhere else. So to meet the situation we have written into this bill, as an amendment to the economy bill, a provision so that there can be no mistake about it, giving to the President of the United States the right to furlough surplus employees in any service in the Government where he finds there are more employees than are needed.

In that way he can take care of the situation. Then we figured just how many vacancies would probably occur next year. I do not know whether we figured more vacancies than will actually occur or not, but we undertook to make reductions in the estimates or to make reductions to provide for those vacancies in all the three services.

Now that is a very plain, frank, and candid statement as to what the committee did. I wish to say that Mr. Brown was not very definite in his statement. Mr. Coleman did not come before the committee and retract what he had said or recommended, and no one else connected with the Post Office Department came before the committee. Those men certainly would have more intimate knowledge of the workings of the office than Mr. Brown could possibly have. When Mr. Brown was asked whether or not there were other services in his department which are overmanned he said he had no doubt about it, but that he had not made a sur-



vey. So we felt that rather than discriminate between the three services and in favor of other services which he says are overmanned we ought to adopt this plan.

Mr. GOSS. When we come to this increase in clerks and employees in the second-class offices, \$3,491,000, and then turn over the page and find the Rural Delivery Service with an increase of \$1,400,000 and another of \$203,000 on City Delivery Service, are those three increases over what the Bureau of the Budget recommended, in view of the gentleman's statement?

Mr. BYRNS. No. Those increases are below the Budget estimate in the first instance. But I have just stated to the gentleman that they came with additional estimates a week after they had made their statement in regard to the other estimates, which were sent up immediately after the election.

Mr. GOSS. So that approximately \$5,000,000 increase in those three items is because you had taken it out of the original Budget and put it in the revised Budget or put it back where it should be?

Mr. BYRNS. No.

Mr. GOSS. Well, that is what I want to get clear—why those three particular increases?

Mr. BYRNS. Those are increases—

Mr. GOSS. Over the Budget?

Mr. BYRNS. Over the second estimate that was submitted on those three particular services.

Mr. GOSS. How does that leave the situation as far as the so-called surplus employees are concerned?

Mr. BYRNS. It leaves it in this situation: It leaves it for a survey, and after the survey has been made it gives the President of the United States the right to furlough any number that he may feel is surplus, and, of course, as the Members know, he has now the right of discharge, so he can take either horn of the dilemma.

Mr. GOSS. So that these three increases added together would leave the situation about the way it was last year. Is that correct?

Mr. BYRNS. Yes; just about where it was before the election.

Mr. GOSS. Right where it was before the election, getting ready for the next incoming administration? [Laughter.]

The pro forma amendment was withdrawn.

Mr. PATTERSON. Mr. Chairman, I move to strike out the paragraph.

I do not quite understand the gentleman from Tennessee. Does this \$95,000,000 for the Rural Mail Service provide that those employees who are now in the Rural Mail Service will not be discharged and put out of employment and their routes consolidated, without any definite survey in the determination of further policy?

Mr. BYRNS. It is not intended by this appropriation to discharge any rural carriers or do otherwise than follow the policy that has been followed during the past year. This figure is supposed to take care of consolidations, where they occur through vacancies in the service.

Mr. PATTERSON. Which has been the policy that has been followed?

Mr. BYRNS. The policy that has been followed by the President, indorsed by the Postmaster General and approved by the Congress, and your committee did not feel it would be justified in changing that policy.

Mr. PATTERSON. Certainly. I can understand that; but I want to ask the gentleman why it is that this was cut down. I understand there have been two estimates sent up, or a different estimate at a later date. Why was this cut made on the Rural Mail Service, when there are numbers of rural mail routes approved throughout the United States, and have been approved by inspectors for several years, and there has been only limited extension or even setting up of new rural carriers, and they have been claiming for two years every time we ask about it or ask them to grant an extension, that the reason they did not do more was because they did not have the money to do so?

I think every Congressman who represents a rural district has met with this statement, that the reason they did not extend it was because they did not have the money, yet they had been approved.

Mr. BYRNS. This allows for a limited number of extensions.

Mr. PATTERSON. I understand it is very limited, still we have room for a limited number.

Mr. BYRNS. Yes; I will read to the gentleman just how much is allowed.

Mr. PATTERSON. I will thank the gentleman from Tennessee for that information.

Mr. BYRNS. One hundred thousand dollars is allowed for extensions for 1934.

Mr. PATTERSON. Does not the gentleman feel this is a very small amount for the whole United States? I have enough extensions approved in the district I have had the privilege and honor to represent here to take \$2,000 of that and probably more, because I have one little route there approved from the beginning to the end, a new route, and they claim the reason they did not put it into operation was because they did not have the money.

Mr. BYRNS. Of course, that would not be regarded as an extension; it is the establishment of an entirely new route.

Mr. PATTERSON. There are a number of extensions which have been approved. It occurs to me, in view of the importance of the Rural Mail Service and the way it has justified itself, that it is hardly fair at this time to begin to curtail this work. It is in its infancy and there are a great number of counties in the United States that yet have no rural service.

Mr. BYRNS. I may say to the gentleman that the estimate for additional routes for 1934 carries the same amount of money that was carried for the year 1933.

Mr. PATTERSON. May I ask the gentleman from Tennessee one other question, and that is about the discharge of clerks and the furlough of clerks?

Mr. BYRNS. This does not provide for their discharge, but it gives the President the right to furlough the services of employees in all services where the services are overmanned.

Mr. PATTERSON. Does that mean the employees will lose their civil-service status when they are furloughed?

Mr. BYRNS. Oh, no, indeed.

Mr. PATTERSON. They will still be employees of the Government?

Mr. BYRNS. They will still be employees of the Government.

Mr. PATTERSON. And subject to reemployment?

Mr. BYRNS. Absolutely; at the end of the furlough.

Mr. PATTERSON. I appreciate the gentleman's explanation.

Mr. BYRNS. But it does not contemplate the discharge of any employee. Of course, the President has that right if he wishes to exercise it.

Mr. PATTERSON. I understand that.

Mr. BYRNS. But this gives him the authority to furlough instead of discharge if in his judgment that ought to be done. There are some of us who believe he has that authority now.

Mr. PATTERSON. I hope it will not be necessary to discharge any or furlough them for any indefinite period without employment.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

For inland transportation by railroad routes and for mail messenger service, \$100,000,000: *Provided*, That not to exceed \$1,500,000 of this appropriation may be expended for pay of freight and incidental charges for the transportation of mails conveyed under special arrangement in freight trains or otherwise: *Provided further*, That separate accounts be kept of the amount expended for mail messenger service: *Provided further*, That there may be expended from this appropriation for clerical and other assistance in the District of Columbia not exceeding the sum of \$75,750 to carry out the provisions of section 5 of the act of July 28, 1916

(U. S. C., title 39, sec. 562) (the space basis act), and not exceeding the sum of \$37,250 to carry out the provisions of section 214 of the act of February 28, 1925 (U. S. C., title 39, sec. 826) (cost ascertainment).

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the favor of an explanation as to the justification of the committee in reducing the Budget estimate for transportation of mail by railroad routes and mail messenger service \$5,000,000.

The report shows that the appropriation for this service for the current fiscal year is \$115,000,000, that the recommendation of the Budget is \$105,000,000, and that by the committee is \$100,000,000, a net reduction of \$15,000,000 over last year. I am interested as to the reason the committee thought itself justified in making the large cut of \$5,000,000 over the Budget estimate.

Mr. BYRNS. I may say to the gentleman from Wisconsin that while they had an appropriation of \$115,000,000 for this year, it was just \$8,000,000 too much. They are going to expend only \$107,000,000.

This expenditure has been decreasing steadily since 1929 on account of the falling off of the mail. For instance, in 1929 the expenditure was \$125,000,000. In 1930 the expenditure was \$125,000,000. In 1931 the expenditure fell off to \$119,000,000. In 1932 it fell off to \$113,000,000; and this year, according to the estimates, it will be only \$107,000,000. Now, taking these figures into consideration, we felt they would be able to get by next year with \$100,000,000.

Of course, if there is any great increase in the mail, or something of that sort, it may be necessary to come back in December for a deficiency appropriation; but we do not expect that.

Mr. STAFFORD. As I understand, the service would in no wise be crippled by the appropriation?

Mr. BYRNS. Oh, no.

Mr. STAFFORD. The rate of pay is fixed by law, and the Postal Service will utilize the service at existing rates of pay; and if the estimate of the committee is not adequate, as the gentleman states, it will be the basis for a deficiency appropriation?

Mr. BYRNS. Yes. Of course, the mail has to be carried, and the Interstate Commerce Commission fixes the rate.

Mr. STAFFORD. It is only a question as to whether we should take the guess of the budgetary officer or accept the committee's guess based upon the prior years' appropriation?

Mr. BYRNS. I think the committee's guess is the best, because it is based upon expenditures during the last two or three years, and certainly it is in the interest of the Treasury.

Mr. STAFFORD. Whether it is large or small, the amount of the appropriation would not be a criterion for the service rendered. The service will be rendered regardless of the appropriation.

Mr. BYRNS. Undoubtedly.

Mr. STAFFORD. So the appropriation does not result in any real economy.

Mr. BYRNS. To show the gentleman from Wisconsin just what happens: Last year Congress cut this appropriation \$3,000,000. We could have cut it \$8,000,000, because, as a matter of fact, they did not spend more than \$107,000,000.

Mr. STAFFORD. So there is no actual saving. It is merely a question of the amount carried in the appropriation bill.

Mr. BYRNS. The limitation of the amount will serve to make them more careful and to figure more closely.

The pro forma amendment was withdrawn.

The Clerk read as follows:

For rent, light, heat, fuel, telegraph, miscellaneous and office expenses, telephone service, badges for railway postal clerks, for the purchase or rental of arms and miscellaneous items necessary for the protection of the mails, and rental of space for terminal railway post offices for the distribution of mails when the furnishing of space for such distribution can not, under the Postal Laws and

Regulations, properly be required of railroad companies without additional compensation, and for equipment and miscellaneous items necessary to terminal railway post offices, \$975,000.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word. I desire to direct a question to the chairman of the committee.

Referring to the total appropriations that are made for railway mail and for mail messenger service, I think the situation in my section of the country probably is similar to that in many other sections where, due to cancellations of trains and the elimination of Railway Mail Service, we have had to establish a good many special routes. I notice a very considerable saving is made all along the line, but the question I wanted specifically answered is this: Are these appropriations transferable? For instance, if a Railway Mail Service is abandoned and no appropriation is applicable for that, would it be automatically possible for the department to establish another star route by autotruck or other means to take the place of the service which had been performed by the Railway Mail Service?

Mr. BYRNS. The gentleman, of course, is aware that under the economy bill the right is given to the departments to transfer not exceeding 12 per cent of any particular appropriation, and this bill contemplates continuing that for next year. If that is done, of course, there could be a transfer from one appropriation to another not exceeding that percentage in order to take care of any such situation. If the star-route appropriation was not sufficient, they could take it from the railway mail appropriation, provided they had enough money in that appropriation to take care of the service and in this way relieve the star-route situation.

Mr. KETCHAM. That is the point I am getting at. Taking the two into consideration, is there an adequate appropriation so that certain new routes may be established and the plea of economy can not be set up against establishing that?

Mr. BYRNS. We think so; at least, that was the idea of the committee.

Mr. STAFFORD. If the gentleman will permit—

Mr. KETCHAM. I yield.

Mr. STAFFORD. At the last session, as the gentleman will recall, we authorized the railroads to carry mail by passenger-bus service at the same rates that they carried the mail by train. In many instances, as the gentleman has said, the railroad has established bus service in lieu of train service, and we authorized the Postmaster General to continue the service by bus just as if the service were being performed by train.

Mr. KETCHAM. And the gentleman understands that that carries with it the use of the funds provided for that purpose?

Mr. STAFFORD. The appropriation for railway transportation would be available for the substituted character of service.

The Clerk read as follows:

For transportation of foreign mails by steamship, aircraft, or otherwise, including the cost of advertising in connection with the award of contracts authorized by the merchant marine act of 1928 (U. S. C., title 46, secs. 861-889; Supp. V, title 46, secs. 886-891x), \$35,500,000: *Provided*, That not to exceed \$7,000,000 of this sum may be expended for carrying foreign mail by aircraft under contracts which will not create obligations for the fiscal year 1935 in excess of \$7,000,000: *Provided further*, That the Postmaster General is authorized to expend such sums as may be necessary, not to exceed \$250,000, to cover the cost to the United States for maintaining sea-post service on ocean steamships conveying the mails to and from the United States, including the salary of the Assistant Director, Division of International Postal Service, with headquarters at New York City.

Mr. LaGUARDIA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LaGUARDIA: On page 57, in line 3, after the figures "\$35,500,000," insert: "*Provided*, That no part of the money herein appropriated shall be paid on contract No. 56 to the Seatrail Co."

Mr. LaGUARDIA. Mr. Chairman, I do not want to unduly harp upon this question. This matter has been before



the House many times, and I do not believe there is any doubt in the mind of any member of the committee that the contract was improperly entered into.

The gentleman from Illinois [Mr. ARNOLD], in his statement on the bill, made it clear that it was not the intention of the committee to pay any money on this contract. If it were in the hands of the gentleman from Illinois or the committee, that in and of itself would be sufficient; but I want to call the attention of the House to the fact that we had a specific provision in the independent offices appropriation bill, passed by both the House and the Senate, prohibiting the making of any loan to this company, and yet a \$3,000,000 loan was made.

Mr. HARE. Will the gentleman yield?

Mr. LA GUARDIA. I yield.

Mr. HARE. Would the gentleman mind explaining to the House the provisions of this contract and the amount involved?

Mr. LA GUARDIA. Yes; I am coming to that. Is the gentleman interested in this, too?

Mr. HARE. Yes.

Mr. LA GUARDIA. Good.

It was known at the time the bids were made for the construction of these ships that this company expected to engage in coastal trade. I stated this, I believe, when I appeared before the committee, and it was stated on the floor of the House, so it is no surprise to us. Let not the Post Office Department plead surprise. After the Seatrain Co. received the loans, and received the loans on the basis of foreign trade, where the interest rate is lower, and built the ships, they announced that it was necessary to engage in coastal trade. The stop at Habana, I would say, was only an incident to the coastwise trade that was originally planned by this company.

Some of the Members may forget the history of this company. When the bids were made for the transportation of railroad cars, it was so made that only this company could bid. At that time it was a Canadian company owning one ship built in England, with an English mortgage on it, flying the British flag. After this contract was given to them, they changed the registry of this one ship from English to American and had ceremonies about it besides; but, mark you, in the meantime they were competing with American ships having the privilege of operating under British laws, which is one-third cheaper than under American laws.

Now they have received this loan. They are supposed to engage in foreign trade between New Orleans and Habana, and after they got the money, notwithstanding there was a prohibitive proviso in the appropriation bill of last year, they now announce that they want to run up the Atlantic coast carrying these cars. I predict now that this company will default on the loan.

I want to ask the gentleman from Tennessee [Mr. BYRNS] if he will not consent to this proviso, so there may be an express statement on the part of the House to carry out the intention of the committee as expressed by the gentleman from Illinois [Mr. ARNOLD] that there is no intention of giving this company further subsidies under the false pretenses under which they obtained their loan.

A few days ago there was distributed to the membership of the House a very elaborate pamphlet, the Romance of Seatrain.

I do not know why they call it romance, but we call it by another ugly, short word in my city. The whole contract of the Seatrain Co. is predicated on false representation.

Mr. BYRNS. I want to say that the committee, in connection with this appropriation carried in the bill, eliminated the appropriation for that contract. While the Postmaster General had made the contract, the company had waived the pay for six months. They were extending their line from New Orleans to New York by the way of Habana. It was a coastwise service that was being rendered, and I do not think that was in contemplation of the law.

Mr. LA GUARDIA. They knew it at the time.

Mr. BYRNS. For that reason the committee eliminated the appropriation. I do not know what effect it is going to have on the contract; they may have the right to go into the Court of Claims.

Mr. LA GUARDIA. If their contract is valid, which I doubt. The Comptroller General questions its validity.

Mr. BYRNS. The committee eliminated the appropriation; and as far as I am concerned, I have no objection to the amendment offered by the gentleman from New York.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LA GUARDIA].

The amendment was agreed to.

Mr. HARE. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 57, line 4, strike out lines 4, 5, 6, and 7, down to and including the figures "\$7,000,000."

Mr. HARE. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. LA GUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 57, line 4, after the word "Provided," insert the word "further."

Mr. LA GUARDIA. I offer that because of the amendment which was just approved by the House prior to this proviso.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. DAVIS of Tennessee: Page 57, after Mr. LA GUARDIA's amendment, insert a colon and the following: "Provided further, That no portion of this sum shall be paid for the transportation of mail for any voyage or for any portion of a voyage of a vessel between ports of the United States."

Mr. DAVIS of Tennessee. Mr. Chairman, this amendment, if adopted, is not only not in abrogation of the law or of any legal contract awarded under the law but it is to insure that the expenditure of funds appropriated for the purpose of paying ocean mail contracts under the 1928 merchant marine act may be applied only in accordance with the law. You are aware, doubtless, that this authority to award ocean mail contracts for the transportation of the mails of the United States is only authorized in the case of vessels engaged in foreign trade. It is not authorized in the case of any inter-coastal service. Foreign ships are not permitted under the law to operate in the coastwise trade of the United States, so that the United States ships have absolutely no foreign competition in the coastwise trade; and, of course, there is no reason on earth why this ocean mail pay should be awarded for the transportation of any mail in the coastwise trade; in other words, between ports of the United States.

Mr. LA GUARDIA. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. LA GUARDIA. I believe the gentleman ought to amend his proposed amendment by inserting the language "under the provisions of the merchant marine act," because otherwise, as I look at the amendment, it would even prevent the carrying of mail on the poundage basis, which, of course, is permissible under the law and necessary.

Mr. BYRNS. I was about to make that same suggestion to the gentleman.

Mr. DAVIS of Tennessee. I will state to both gentlemen that that is what is intended, and my language follows the provision—

For transportation of foreign mails by steamship, aircraft, or otherwise, including the cost of advertising in connection with the award of contracts authorized by the merchant marine act of 1928, \$35,500,000.

My amendment follows that and I supposed it would be presumed it had reference to that.

Mr. BYRNS. If the gentleman will permit, the gentleman's amendment provides that no portion of this sum shall be paid for the transportation of mail for any voyage or any portion of a voyage of a vessel between ports of the United States. As suggested, that would prevent payment for carrying mail on the poundage basis.

Mr. DAVIS of Tennessee. In the first place, we are not carrying any mail of that kind that I know of in coastwise vessels on the poundage basis; but I had reference to a contract under the 1928 act, which had just been recited preceding the amendment. However, in order that there may not be any question about it, I ask unanimous consent to amend my amendment, as suggested by the gentleman from Tennessee and the gentleman from New York, by adding the language "under the provisions of the merchant marine act of 1928."

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to withdraw his amendment and to offer in lieu of it a modified amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. DAVIS of Tennessee: Page 57, after Mr. LA-GUARDIA's amendment, insert a colon and the following: "Provided further, That no portion of this sum shall be paid for the transportation of mail for any voyage or for any portion of a voyage between ports of the United States under the provisions of the merchant marine act of 1928."

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. ARNOLD. Is not this amendment in its present form simply declaratory of existing law? They have no right under existing law to pay out money or to make contracts for the carrying of mail on coastwise ships.

Mr. DAVIS of Tennessee. That is true; but they are doing it.

Mr. ARNOLD. They may do it if we adopt this amendment.

Mr. DAVIS of Tennessee. I do not think that the Comptroller General would permit it when this limitation is placed on this specific appropriation. I do not think the Post Office Department is responsible for some of the practices which have arisen. I am advised that they have awarded some contracts which were regular under the law, where the ships of a certain line would leave a certain American port for a foreign port, and that since that was done, since the contract was awarded, the ships have taken on additional American ports. To give you an example, a ship, we will say, will leave Boston, then go to New York, then to Charleston, then possibly to Jacksonville, and then to some of the foreign West Indies ports. Under the law they are not entitled to any mail pay under section 405 of the merchant marine act of 1928 except when they leave the last American port for a foreign port, because up until that time they are engaged in the coastwise trade.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. ARNOLD. Suppose a vessel leaves the port of Boston with mail destined to a European port, and they stop at these other ports on the American coast which the gentleman suggested, does this amendment prohibit payment under any contracts for carrying mail from Boston to a foreign port even though the ship does stop at some other American ports?

Mr. DAVIS of Tennessee. Yes; and that is the law. Permit me to read section 404 of the merchant marine act of 1928, in which the authority is given to the Postmaster General to execute the very contracts which we are discussing. Here is what it states:

The Postmaster General is authorized to enter into contracts with citizens of the United States whose bids are accepted, for the carrying of mails between ports between which it is lawful under the navigation laws for a vessel not documented under the laws of the United States, to carry merchandise.

Now, it is lawful for a vessel not documented under the laws of the United States—in other words, a vessel of a foreign flag—to operate from Boston to a foreign port, or from New York to a foreign port, or from Charleston to a foreign port, but it is not lawful for it to operate between two American ports. Consequently, it is clearly what is classified as the coastwise trade whenever it is between ports of the United States. They are not entitled to this mail pay under the law until they leave the last American port for the foreign port.

Mr. BACON. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. BACON. I think the gentleman's amendment carries the words "or any portion of a voyage." Would that not exclude a voyage from the last American port to the foreign port?

Mr. DAVIS of Tennessee. No. The purpose of that is for the express purpose of not excluding from the application of the mail contract any portion of it except that portion between ports of the United States.

Mr. BACON. For instance, I have in mind the Grace Line, which goes from New York to Habana and then stops in Mexico, Honduras, and Costa Rica, and then goes through the canal and stops in Salvador, Nicaragua, and Guatemala, and going up the Pacific coast eventually gets to San Francisco. Would that line be excluded?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BACON. The Grace Line is a line that is obviously in the foreign trade of the United States.

Mr. DAVIS of Tennessee. But is it not also true that they stop at several ports before they leave for a foreign port?

Mr. BACON. Only New York. They leave from New York and stop at 8 or 10 foreign ports before they reach San Francisco.

Mr. DAVIS of Tennessee. But is it not a fact that they are now and for some time have stopped at other Atlantic ports before they leave?

Mr. BACON. I do not think so.

Mr. DAVIS of Tennessee. Well, my information is that several of them have. I would not make that as a positive statement.

Mr. BACON. The particular line I am talking about is really engaged in the foreign trade with Central America, and stops at a great many different ports, and eventually reaches San Francisco. That line has built four new ships under a mail contract.

Mr. DAVIS of Tennessee. I will state that under the facts which the gentleman states it would not apply unless there should be a portion of that trip where they went from one American port to another.

Mr. BACON. Well, I wanted to get an interpretation of the gentleman's amendment, because it seems to me it is so broad that it would affect this line which is honestly engaged in the foreign trade of the United States.

Mr. DAVIS of Tennessee. I will cite another instance. It was urged that if a ship leaves New York for Hamburg and then immediately turns around and makes the return voyage to New York, that that is one continuous voyage. The Supreme Court of the United States has held that it is not; that it is a completed voyage when it goes from a United States port to a foreign port, because it must enter there and get clearance papers to return, and that could not be construed as a voyage between ports of the United States.

Mr. BACON. I do think the gentleman's amendment applies to the Grace Line, that I have specifically mentioned, and I did want to have the gentleman's interpretation of his own amendment.

Mr. DAVIS of Tennessee. It would not apply unless they make several American ports before they leave for the foreign voyage; and in that case, under this amendment, that



mail pay would only commence at the last American port before they leave for a foreign port; and it should apply, and does apply under the law.

Mr. BACON. What effect does the gentleman's amendment have on a voyage beginning at New York and eventually ending at San Francisco, even though the ship has stopped at seven or eight or a dozen foreign ports on the way?

Mr. DAVIS of Tennessee. Well, if it actually entered and cleared foreign ports in the conduct of its business, I would say it did not apply, because those would be separate voyages, but if it was a mere subterfuge, as is the case in one instance, it should not apply and I hope would not apply, although it is being applied now.

Mr. SIROVICH. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. SIROVICH. Suppose a ship leaves New York and goes to Charleston, S. C., then to Savannah, Ga., then to South American ports, and it takes on mail in New York, why should it not get credit for mail all the way from New York to where it goes, instead of only from the last place in the United States?

Mr. DAVIS of Tennessee. Between New York and Charleston would be coastwise trade.

Mr. SIROVICH. But it is on its journey to South America where this mail is going.

Mr. DAVIS of Tennessee. But, of course, the question of the carriage of the mail is not a very important item.

Mr. SIROVICH. But how would it be affected by the gentleman's amendment?

Mr. DAVIS of Tennessee. This is valuable mail pay. That is what it is. We have to consider it from that viewpoint. In addition to that, this mail pay has risen far beyond what was contemplated and predicted by the officials. It is becoming a burdensome proposition, and the committee which reported this bill has made a reduction in the appropriation for this purpose under what it was for the last fiscal year, as I understand.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes. I have been interrupted a great deal.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DAVIS of Tennessee. This affords an opportunity to apply that cut at places where it will be in accordance with the law and not do an injustice to any company which is only undertaking to draw pay in accordance with the law.

Mr. WOOD of Indiana. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. WOOD of Indiana. Suppose a vessel starts from New York and docks at New Orleans in the course of its trip to its destination in South America. Under the gentleman's amendment, where would its pay commence?

Mr. DAVIS of Tennessee. At New Orleans.

Mr. WOOD of Indiana. At New Orleans?

Mr. DAVIS of Tennessee. At New Orleans, because between New York and New Orleans it is operating between ports between which a foreign-flag vessel can not operate.

Mr. WOOD of Indiana. Suppose their stopping at New Orleans is simply an incident and not a matter of trade, that they are carrying no particular goods to New Orleans but that it is along their line, and that they pick up mail again, or that they pick up mail both at New York and at New Orleans, and that the stop at New Orleans is for the purpose of picking up mail, then what would be the working of the gentleman's amendment?

Mr. DAVIS of Tennessee. Of course, you can not very well draw a distinction as to how much cargo they are to pick up, for they are not likely to go clear around to New Orleans without being engaged in that service.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. LEHLBACH. Take a line that operates in the trans-Atlantic trade, covering the North Atlantic ports of New York, Boston, Philadelphia, and Baltimore; it stops at two or possibly three of these ports on its outward voyage to pick up cargo and not to do intercoastal or coastwise business whatsoever. This line would be affected by the amendment would it not?

[Here the gavel fell.]

Mr. SIROVICH. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DAVIS of Tennessee. Answering the gentleman from New Jersey, I think it resolves itself back to the law itself. Of course, I could not offhand state what interpretation might be placed upon different phases that might be presented by those who would have the authority to interpret it, but I am simply undertaking to restrict this to the clear statement and intent of the law under which the contracts are awarded. If they were observing the law in accordance with the provisions of the merchant marine act of 1928 I would not offer this amendment.

I agree with the gentleman from Illinois that it does not change the law. It is not intended to change the law. It is intended simply to direct attention to it and to place a limitation upon it that would perhaps be effective, whereas the legislative act itself is being ignored in part.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. BLAND. Is it intended that the amendment should apply to a situation where a steamer starts, for instance, from Baltimore, stops at Philadelphia, not for the purpose of transacting business between Baltimore and Philadelphia or carrying any cargo to Philadelphia, but simply for the purpose of picking up at Philadelphia additional cargo for its foreign destination, and so on to other ports? Would this amendment affect the mail pay from the original point? In such a case the ship, though stopping at domestic ports, is not engaging in coastwise business, but the intermediary ports would be rather ports of call on its voyage?

Mr. DAVIS of Tennessee. We have this identical question under the present provisions of the law, and I am not prepared to state what interpretation the Postmaster General has placed upon it, but I may say that, personally, I think the mail pay should not commence until the ship leaves the last American port, because, in the very nature of things, the Postmaster General can not supervise all these ships to see whether or not they are carrying any merchandise or passengers between these different American ports that they make. I think this was the intent of the original law, and this is the way I would interpret it, but I do not know how it may be interpreted by others.

Mr. ARNOLD. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. ARNOLD. Has the gentleman in mind specific cases applying to these contracts where there is an abuse such as the gentleman seeks to correct by this amendment?

It seems to me this amendment is going quite far; and none of us had any notice of it, but it is just being presented from the floor. It seems to be rather sweeping in its scope, and unless there is something that ought to be remedied by it we should not take a chance or speculate as to the results that may follow from the adoption of a new amendment.

Mr. DAVIS of Tennessee. I am convinced there are abuses. But, if there are no abuses, certainly the amendment would be harmless. I am sure there are abuses. In fact, I know that there are.

Mr. FIESINGER. Does the gentleman's amendment apply to the Great Lakes?

Mr. DAVIS of Tennessee. No. The merchant marine act of 1928 does not apply, and there are no mail-pay contracts awarded on the Great Lakes.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. SIROVICH. Is it not a fact known to most members of the Committee on the Merchant Marine, Radio, and Fisheries that even with all the advantages the Government is putting at their disposal those engaged in the coastwise trade are almost ready to go into the bankruptcy court to-day, and if we add this burden it will make matters that much worse?

Mr. DAVIS of Tennessee. It does not apply to vessels exclusively engaged in the coastwise trade. It would protect those engaged exclusively in the coastwise trade. Vessels engaged in the coastwise trade are not entitled to any mail pay for any portion of the voyage. If the vessel is engaged partly in coastwise trade and partly in foreign trade, it is entitled to pay for only such portion as is foreign.

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I rise in opposition to the amendment.

It occurs to me, Mr. Chairman, from the questions propounded to the proponent of this amendment that it should not be adopted for very many reasons.

In the first place it is entirely new. It is a matter of far-reaching importance, or may be a matter of far-reaching importance, so much so that we should know beyond a question of doubt what its practical effect would be. Now, the gentleman from Tennessee has admitted in answer to questions propounded by the gentleman from New York and the gentleman from New Jersey, that he does not know what might be the interpretation of the Postmaster General, or of the comptroller, whether it would be considered a violation of law were the vessel to stop simply at ports of call for the purpose of taking on additional cargo. In his opinion he says he does not think they would be entitled to pay until they left the last port of call. It is going to result in confusion, it is going to result in lawsuits, it is going to result in very grave disaster to the merchant marine of the United States.

The merchant marine of the United States, as has been stated here, is having a very difficult time to live. I do not believe there is anyone here who wants to destroy the American merchant marine. We all know how this country suffered when we had no merchant marine. There is no other country upon the face of the earth that has a merchant marine but what to-day is doing more by way of subvention and subsidy than the United States.

Mr. SIROVICH. Will the gentleman yield?

Mr. WOOD of Indiana. I yield.

Mr. SIROVICH. Does my distinguished friend realize that even the American merchant marine that is going to the foreign countries is already bankrupt?

Mr. WOOD of Indiana. There is not a bit of doubt about that.

You gentlemen who are from New York, perhaps, saw that wonderful Italian vessel that came in there a few days ago. My attention was also called to it. It has not an equal upon the seas. Its construction was made possible by reason of subventions and subsidies granted by Italy. It is larger than the Leviathan. It is more spacious than any other vessel that has ever been built or attempted to be built. It has 11 decks, with more than half a dozen elevators reaching these various decks. To my mind, this ought to be sufficient argument to the American people that we should guard carefully this great asset of the United States, not only in time of peace but in time of war. We were in a most pitiable position when the World War broke out because we had no merchant marine at all. There were but two vessels upon the Atlantic and only one upon the Pacific at that time that could even be called an excuse for a merchant marine. We have been trying ever since that time to establish an American merchant marine, and the law referred to had no other purpose than the establishment of such a merchant marine, and we were getting well on our way until this great depression struck us. To-day we have more ton-

nage laid up than any other country on the face of the earth because of lack of patronage, because of lack of trade, because of lack of international trade, and this amendment, I fear, would prove disastrous to the merchant marine of this country.

As has been stated, the committee has made a cut in the appropriation and we should not hamstring this activity by taking away from it the possibility of taking advantage of every port of call they can make.

Mr. BLAND. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. BLAND. Is not the loss of patronage, in part, due to the fear of shippers to-day that the American merchant marine may not be maintained?

Mr. WOOD of Indiana. That is absolutely true and the enemies of our merchant marine are spreading that propaganda every day and every night. They have paid agents in the United States to-day circulating the very story that has been suggested by the gentleman from Virginia. They are stating that you can not afford to make a contract for shipment in this or that vessel of the American merchant marine because, they say, in all probability it will not be able to carry it out. I do trust this amendment will be defeated.

Mr. LEHLBACH. Mr. Chairman, there is no one in this House who is more cognizant and more appreciative of the services rendered the American merchant marine than the gentleman from Tennessee [Mr. DAVIS], but I can not follow his lead in proposing this amendment. There are lines, such as the Baltimore Mail, covering Newport News, Baltimore, and possibly Philadelphia, that pick up portions of cargo at each one of these ports and proceed to Europe. They do not engage and could not be bothered with engaging in coastwise trade, but would be affected adversely by this amendment. The America-France line, now operated by the Government, and for sale, if given a mail contract, covers the ports of Baltimore, Philadelphia, New York, and Boston, and would be adversely affected by this amendment.

I am informed that on the Pacific coast the mail contracts support American-flag ships in competition with the Japanese and the English. If they stop at Honolulu in Hawaii, it breaks their mail contract under this amendment.

The amendment is a blow at substantial, honest, American merchant-marine interests that we fostered, in order to get at some imaginary and some negligible evil.

Mr. LOZIER. Mr. Chairman, I rise in support of the amendment of the gentleman from Tennessee and to make an observation. Of course, we can not amend substantive law in the consideration of an appropriation bill, but I hope the Congress of the United States may, at no distant date, take time to consider the unsound provisions of the merchant marine act, the maladministration of that act, and particularly the prodigality of the Post Office Department in entering into ocean mail contracts. Here we have the rottenest, most wasteful, and probably the most graft-infected activity of the Federal Government.

Under statutes authorizing the execution of these contracts, unconscionable, indefensible, inexcusable, profligate, wasteful agreements have been made by which certain steamship companies sailing from the United States to distant ports with which we have practically no commerce, and to countries with which we have no substantial trade, and many of these companies are paid thousands of dollars per pound for carrying the ocean mail.

Mr. SIROVICH. Will the gentleman yield?

Mr. LOZIER. In just a moment.

Here is subsidy gone to seed, and governmental favoritism in the most vicious form. The system strikes at the fundamental principles and concepts of our Government. It may be that the shipping companies are hard pressed financially, but the agricultural classes of America are bankrupt, the retail merchants of America are facing insolvency, the wholesale merchants of America are on the brink of disaster. Every vocational group is about to be broken or has already been broken on the rock of insolvency, and yet we



have the lamentable spectacle of the United States Government paying thousands of dollars per pound for carrying a few sacks of mail across the ocean. This policy can not be justified in periods of prosperity, and it is indefensible in this unprecedented period of depression. I repeat that while this abuse can not be corrected in the consideration of this appropriation bill, these excessive subsidies approach the point of a national scandal.

No man in this House, no upstanding, forward-looking man in America can justify the contracts and payments that have been made under the maladministration of this agency of the Government. I hope the American people will call upon this Congress or on the next Congress to clean this Augean stable and to correct the maladministration, the extravagance, and the profligate expenditure of public funds, under the guise of patriotism, and under the specious plea that these appropriations and these malodorous contracts are necessary in order to build up our national merchant marine, extend our foreign trade, and guard against external aggression in the future.

Mr. BLAND. Mr. Chairman, I move to strike out the last three words. As a member of this committee I regret to hear the intemperate utterances of my distinguished friend from Missouri [Mr. LOZIER], who doubtless has not given to this question the consideration that it actually deserves. There may have been mistakes in the administration of this law. I do not say that they have not existed, but I do deny that there has been fraud, corruption, or graft.

Soon, in a short time, to my regret—and no man can say it with more feeling than I—there will leave this Chamber one of the warmest, most devoted friends of the American merchant marine that the American merchant marine has had, one of the most loyal and patriotic Members who has ever sat on this floor. [Applause.]

I refer to the distinguished chairman of the Committee on Merchant Marine, Radio, and Fisheries, the Hon. EWIN L. DAVIS, of Tennessee. [Applause.]

The Democrats have been in charge of this House for nearly two years, and if the condition existed which has been depicted by the gentleman from Missouri, no man would more quickly have brought it to the attention of this House than the distinguished gentleman from Tennessee.

The Committee on Merchant Marine, Radio, and Fisheries has been endeavoring to carry out the mandate of Congress, when in 1920 it declared as a national policy of these United States that it is necessary for the national defense and for the proper growth of the foreign and domestic commerce of the United States that it should have a merchant marine of the best-equipped and most suitable types of vessels sufficient to carry the greater portion of its commerce and serve as a naval or military auxiliary in time of war or national emergency, ultimately to be owned and operated privately by citizens of the United States.

The ports to which some of these vessels sail may have comparatively little cargo now, but it is in execution of this declaration and mandate of Congress that they are endeavoring to build up the commerce of the United States.

Are we prepared to-day to strike down the American merchant marine and trust our foreign commerce to those adversaries who are building high their tariff walls and trying to-day to shut out the commerce of the United States?

We want our own delivery wagon. We want to carry our own commerce and our own mail. Every ship that carries the mail under this act is built for national defense, constructed upon plans approved by the Navy, and with gun emplacements so that it can be converted instantly into an instrument of defense in time of war.

Not only that but there is a provision whereby these ships can be taken over in time of national emergency without any added expense by reason of the emergency. In other words, it is a powerful far-seeing provision for the future.

Men of the South, you have need of an efficient American merchant marine. You remember that just before the World War the cry went around, "Buy a bale of cotton." Your cotton was ready to be sent abroad, but you could not ship it because British ships had been taken off the water,

and you did not have an American merchant marine to carry your goods to foreign countries. [Applause.]

Availing myself of the leave granted for the revision and extension of my remarks, I would emphasize the immense advantage of an American merchant marine to the shippers of America on many occasions in affording facilities for foreign shipment of American goods when otherwise ships would not have been available, as, for instance, the movement of wheat a few years past for the farmers of the Middle West and also at another time in the transportation of coal.

The important organization known as the Mississippi Valley Association, which embraces all States between the Appalachian and Rocky Mountains in the great Mississippi Valley and which has for its objects the furtherance and promotion of the economic, industrial, commercial, and agricultural interests of that section, unqualifiedly went on record at its recent meeting in St. Louis in favor of the retention and development of the present services of the American merchant marine.

This meeting of this association was attended by more than 400 delegates from 25 States. By appropriate resolution, this association declared that the whole world is preparing for the highly competitive conditions that exist and may be expected to continue in the commercial struggle for export markets; that as a safeguard favorable ocean rates will be maintained which will assist the farmer and manufacturer to sell their products in world markets—in peace and in time of war—regular, adequate, and dependable American-flag ocean services, connecting at the ports with our inland water and rail routes, must be maintained; and that these services afforded free access to foreign markets, which were an insurance against excessive ocean freight rates and an invaluable naval and military auxiliary in time of national emergency.

This association declared that the amount contributed by the Government toward the maintenance of the American merchant marine is small indeed in comparison with the great benefits, direct and indirect, which the possession of this merchant marine affords agriculture, industry, and labor.

It was truly said by that association that American ships can not operate in foreign trade without Government aid, and it was for this reason that this powerful association declared itself as strongly favoring the continuance of the present policy of aid to our merchant marine and recommended as sound policy and real economy the early award of ocean mail contracts to our remaining essential Government lines to make possible their sale.

It is interesting in this connection to note that this association also opposed transferring the activities of the United States Shipping Board Merchant Fleet Corporation to any other Government department or bureau and favored the continuance of the Merchant Fleet Corporation as an agency of the Shipping Board until the lines are sold and matters relating to such sales are completed.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LaGUARDIA. Mr. Chairman, the gentleman from Virginia [Mr. BLAND] refers to the proper use of the merchant marine act, and with that we have no quarrel. It is the abuses in the administration of the merchant marine act that the amendment now before the House seeks to correct. We need not be reminded that the coastal trade is an exclusive, noncompetitive trade in this country and in every other country of the world having a merchant marine. The trouble is that the practice has grown up where subsidies are paid under the provisions of the merchant marine act under the guise of postal contracts to companies who are engaged in coastwise trade and not in foreign trade. The amendment of the gentleman from Tennessee does not seek to apply to a bona fide foreign route, stopping at an American port, as incidental to that. It seeks to prevent subsidies



based on fictional foreign trade. Take this contract which I have in mind, that I investigated, of a New York-San Francisco route, via the Panama Canal, with a technical stop at a Panamanian port. I submit, gentlemen, that that line is not engaged in foreign trade within the meaning of the merchant marine act, and yet that line is receiving at this time \$250,000 or \$300,000 in the nature of a subsidy. I called the attention of the comptroller to this particular contract at the time, and it was held valid on a technicality that the stop at Colon or Cristobal is a stop at a foreign port. I submit that a line of that kind having the benefit of receiving loans under the merchant marine act receives all of the help that the Government can properly give to a noncompetitive business of that sort, that it is not entitled to the subsidies under the fiction, if you please, of engaging in foreign trade simply because it goes through the Panama Canal.

The gentleman from Virginia [Mr. BLAND] makes a most forceful appeal, that we must meet foreign competition, and the House is with him on that, but I submit that it is difficult for some of us to understand how we can meet this foreign competition with these subsidized lines, when they enter into a conference with foreign steamship lines and controlled by foreign interests to fix schedules and rates. I can not see the sense of entering into an agreement on freight and passenger rates and as to schedules, and at the same time pretend to be in competition with foreign steamship lines.

Mr. BACON. But the trouble with the gentleman's amendment is that it goes much farther than to meet the conditions that the gentleman from New York describes.

Mr. LA GUARDIA. I do not believe he intends to.

Mr. BACON. I know, but this has been brought in quickly, and his amendment would hurt the oceanic line going from San Francisco, stopping at Honolulu and Samoa to Australia, and doing splendid work in building up American trade in the Pacific.

Mr. LA GUARDIA. There is no quarrel with that. The gentleman and I discussed that. I think he mentioned the Grace Line. That line, of course, is engaged in foreign trade.

Mr. BACON. But this amendment would affect the Grace Line, a line which has done more to build up foreign trade in this country with Central American countries than anything that has ever been done in that direction.

Mr. LA GUARDIA. I agree to that; but I submit that if abuses of the benefits of the merchant marine act continue the American people will not submit to it. That will end subsidies. Fictional foreign trade must end, and control of American shipping through the foreign-controlled conference must end.

Mr. BACON. Why does not the Merchant Marine Committee bring in an amendment after careful hearings, and not have the matter brought up on an appropriation bill so that it will hurt a lot of innocent people?

Mr. LA GUARDIA. That is a matter for the committee, but I say that where the foreign trade is purely a fiction, as it is under the example that I have given, they are not entitled to a subsidy, and there is a second point that I have made that has not been heeded in this House, and I have made it several times, and that is that subsidized American lines receiving aid from the Government to compete with foreign steamships should not enter into a conference or pool with foreign steamship companies in respect to the fixing of rates and schedules.

Mr. BARTON. Mr. Chairman, I want to confine my remarks to the specific language of the amendment, and I ask that the Clerk again report it.

The CHAIRMAN. Without objection, the Clerk will again report the Davis amendment.

There was no objection, and the Clerk read as follows:

Amendment by Mr. DAVIS of Tennessee: Page 57, after Mr. LA GUARDIA'S amendment, insert a colon and the following: "Provided further, That no portion of this sum shall be paid for the transportation of mail for any voyage or for any portion of a voyage of a vessel between ports of the United States under the provisions of the merchant marine act of 1928."

Mr. BARTON. Mr. Chairman, I take it from what has been said that the merchant marine act would authorize certain transportation and prohibit other. If I understand the amendment, with a technical construction, it means that if the mail is carried under the provisions of the law—that is, in accordance with the law—then nothing of this appropriation can be paid to that vessel. It is directly the opposite of what is intended. I think the amendment should be modified so as to say "in violation of" or "as prohibited by the merchant marine act."

Mr. GIFFORD. Mr. Chairman, as is usual when the matter of mail subsidy comes up annually, there is much discussion and the administration is subjected to criticism. I had to-day intended to make a few remarks on the subject, but it has been sufficiently discussed and the amendment is to fail. It has been shown that such an amendment is work for the legislative committee and not properly to be added to an appropriation bill, which would result in forcing these people into a Court of Claims. I want to indorse what the gentleman from Virginia [Mr. BLAND] has said relating to the gentleman from Tennessee [Mr. DAVIS], who is retiring, for I am in hearty agreement.

The gentleman from Tennessee has done excellent service for the country in matters affecting our merchant marine. Furthermore, the gentleman from Virginia [Mr. BLAND], who is soon to take his place, has to-day shown us what we may expect of him, and we all feel reassured by his emphatic expression of defense of the present administration in its awarding of these mail contracts.

However, it is now plain—and I mean to call special attention to the fact—that as the day of your full responsibility approaches you gentlemen on the Democratic side will be more and more ready to take back much of the criticism which you have heretofore made on the floor of this House relating not only to this particular matter but to many other phases of the Republican administration as well—criticism with which some of you have taken delight in filling the pages of the CONGRESSIONAL RECORD.

Now we hear the ringing tones of the incoming chairman proclaiming that, after all, the administration of the law in this respect has probably been wise and proper. It is now desired to forget those former criticisms as you come to a realization that your party can do no better. I expect to be with you for at least two more years, and may have further occasion to remind you as you are forced to retract many a harsh criticism of the present administration which you have made in recent years. [Applause.]

Mrs. KAHN. Mr. Chairman, I rise in opposition to the amendment.

It seems to me it will be the most severe blow the merchant marine of our country has received in years, if the amendment is incorporated into the law. On the Pacific coast we are in competition with lines running to the Orient, running to Australia and to New Zealand. The merchant marine on the Pacific coast is doing everything it can to build up the trade of the United States. We have the Japanese lines running from San Francisco to Japan. We have American lines running from San Francisco to Japan and to the Philippines via Honolulu. We have the Grace Line, which is doing a tremendous work, as the gentleman from New York [Mr. BACON] stated, in building up our trade with Central and South America. They have ships running about every two weeks. They are planning weekly schedules between San Francisco and Los Angeles and South American and Central American ports as soon as the large new boats they are now building will be completed. Those people will be handicapped in their endeavor to do this great work for our country if this amendment becomes a part of the law.

We have the Oceanic Line running from San Francisco to Honolulu, to Samoa and New Zealand and Australia. The part from San Francisco to Samoa will be practically cut out, a distance of almost 5,000 miles, if this amendment becomes law. Just as the merchant marine of this country is beginning to see daylight, we are starting in to give it



a terrific body blow. I sincerely hope, as one who has been interested all of her life in the merchant marine, as was Mr. Kahn before me, who did everything he could to build up the merchant marine, that this amendment will not be adopted. [Applause.]

The CHAIRMAN. The time of the lady from California has expired. All time has expired.

The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes 7, noes 61.

So the amendment was rejected.

Mr. HARE. Mr. Chairman, I offer an amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. HARE: Page 57, line 4, after the words "Provided further," strike out lines 4, 5, 6, and 7, down to and including the figures "\$7,000,000," and insert in lieu thereof the following: "that no part of this sum shall be used in payment for transportation of foreign mails by aircraft."

Mr. HARE. Mr. Chairman, of course we will not confuse this amendment with the one upon which we have just voted. The provisions of this amendment apply solely to that part of the bill that would make appropriation for promoting foreign air mail service.

I feel that now is the time when Congress should, in its efforts to economize, eliminate appropriations for what may be classed as the luxuries of government. The transportation of mail by aircraft is not a real necessity, but what we might call a luxury in government. There is no actual or urgent necessity for it. Some say that business has gone to the bad. As a matter of fact, there is little or no business going on in our own country or with foreign nations. We see from reports that our exports are growing less and less every day; and, if this be true, I can not understand why we should proceed in making the enormous appropriation of \$35,000,000 to be used at the discretion of those in authority, for transporting mail to foreign countries.

Mr. LEHLBACH. Will the gentleman yield for a question?

Mr. HARE. I yield.

Mr. LEHLBACH. Some large liners are expecting to be equipped with space for plane carriers. When approaching the coast of Europe they intend to send the mail forward in a plane, thereby saving possibly 10 or 12 hours, and also have late mail overtake the steamer after it has left the port of New York or other ports on the American coast from which the ship departs. Would the gentleman's amendment bar the liner using such auxiliary service?

Mr. HARE. I think it would, or at least it should, because if a steamship is approaching a foreign port, the condition of the country is such that it will not warrant an appropriation of \$35,000,000 to save just a few hours in the delivery of a few bags of mail. The economic conditions of the country will not justify it. The economic conditions of the country do not demand it, and the depleted condition of our Treasury will not warrant it.

Mr. MAAS. Will the gentleman yield?

Mr. HARE. I yield.

Mr. MAAS. Does the gentleman realize that this money is already obligated under a valid contract?

Mr. HARE. No.

Mr. MAAS. Well, it is. It is an obligation of the Government. It is contracted for, in good faith, and we must pay it.

Mr. HARE. Well, it reads "will not create an obligation for the fiscal year 1935." If our Government is making contracts beyond the year for which appropriations are made, then I submit that the Committee on Appropriations should make appropriations only so long as the contracts exist.

Mr. GOSS. Will the gentleman yield?

Mr. HARE. I yield.

Mr. GOSS. In this bill the Committee on Appropriations has appropriated money for three years in advance, in connection with rents for post offices, and so forth. I call the gentleman's attention to this word "aircraft," on line 25, page 56, which is in the original text. What will happen

if the gentleman's amendment is adopted, with that word left in, which is in the existing law?

Mr. HARE. It simply means that this part of the appropriation will not be used for paying foreign air mail service.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mrs. OWEN. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from South Carolina [Mr. HARE] has advanced economy as his reason for introducing this amendment. I think we all recognize, even at a time when economy in government is vitally necessary, that there are certain reductions in expenditure which would constitute a false economy. I want to address myself briefly to two points; first, the invaluable services rendered by the foreign air mail; and, secondly, the comparatively small cost to our Government of these services.

I feel there is no Member in this House who has paid a greater price for war than I personally have paid. No one more deeply deplores its waste and devastation, and yet I must recognize that until we have methods by which we can adjust the quarrels between the nations without resort to arms it is folly to endanger the national defense of our country. All of those who watched the scientific developments throughout the World War realize that future wars will not be fought between combatants on the ground. We found out that it is possible for one airplane to carry explosives and gas that represented a far greater destructive force than a host of armed men.

Without minimizing the services of our own Army and Navy air forces, we must recognize that if we are going to have the power to suddenly expand our air force we require two major factors: We need a body of men with technical training, and we must have factories which can produce aircraft of the latest possible model.

I want to call the attention of the House to the potential national defense represented by personnel and the production units provided by the companies carrying the foreign air mail for our Government.

I want to call attention specifically to the service of the Pan American Airways. Do you realize that the Pan American Airways now employs a personnel of approximately 2,500 men who are, many of them, skilled technicians? If our Government paid for the training of their pilots, \$5,000,000 would have to be expended. An annual budget of \$500,000 would be required to keep this number of skilled airmen at the disposition of the Government, and yet this mighty factor in national defense is retained by the Government at no cost beyond the contract that is given to the foreign air mails.

Let me call your attention to the actual expenditures of this one company. The capital invested by the Pan American Airways is \$18,370,000. The capital invested in airplanes, airplane engines, hangars, and equipment is \$9,200,000.

In addition to this tremendous potential force of national defense, I want to call your attention to the advance in mechanical and inventive genius that is represented by the achievement of this one company. At present there are on order by the Pan American Airways six planes, marking a new advance in aviation. Three great flying boats are being made by the Sikorsky Co. in Bridgeport, Conn., and three by the Glenn Martin Co. in Baltimore. These new 4-motor planes will advance the speed of air travel to 145 miles an hour. The mechanical details were perfected by their own corps of engineers under the direction of Col. Charles Lindbergh. These new planes will be able to travel 2,400 miles without refueling, with 50 passengers and a full load of mail. To illustrate: They will be able to travel from San Francisco to Hawaii on a nonstop passenger flight.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask that the gentlewoman from Florida be given five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.



Mrs. OWEN. Other governments have provided a direct subsidy to the air companies, but in the United States our only governmental encouragement to aviation is the contract we have given these companies for carrying the mail.

Let me now give you the actual cost to our Government of the operation of this one company. The revenue per mile received by the Pan American Airways, as allotted by the United States Post Office Service, is \$1.89 a mile. The revenue received from its operation has been rising steadily since the contract was given. This figure has increased to 45 cents per mile from 27 cents for the year 1930 and 16 cents per mile for the year 1929. Therefore the Government is paying now only \$1.44 per mile for the carrying of its foreign mail.

If you will verify the confidential statistics available in the State Department and the Department of Commerce, you will find that it is an actual fact that foreign governments pay twice as much in subsidy to their air companies as the United States Government pays to the Pan American Airways, which is actually in the forefront of airplane invention in the world to-day.

In addition to the potential national defense that is represented, I want to answer the gentleman from South Carolina [Mr. HARE] in regard to the service rendered by the foreign air mail to trade. My colleague has pointed out that we are in need of foreign markets. In the South American countries lies the greatest undeveloped field for foreign trade in the world to-day. While the European countries have been developing their foreign markets for a number of years in South America, it is only since we had the contact by air, which permits quick communication with the United States, there has been a steady increase in our trade with South American Republics.

The Pan American Airways now unites the United States by ties of commerce with 33 nations, and I put to the House, Mr. Chairman, that service which to-day opens to the United States the markets of South America, at a time when we as an export nation need above all things an increased market for our products, I put it to the House that in a time like this such an invaluable service merits the appreciation and encouragement of this Government.

May I call attention to just one other factor? The foreign air mail has not only admirably promoted the interests of international commerce, it has, I believe, performed another valuable service which in times of international stress must be recognized by the thoughtful representatives of a government. We are bound to the South American Republics by the Monroe doctrine. We are bound to them by ties of mutual interest and governmental sympathy. The air mail has effectively cemented a new and closer bond between the Republics of the Western Hemisphere. In time of disaster at Santo Domingo, Belize, and Managua it was the airman who carried the first relief from our Nation to the neighboring nation in distress.

Each place where the air mail has established a port, it has cemented friendliness between our country and another. So, in the interest of the development of the trade of the United States, in the interest of the strongest potential factor in national defense, and in the interest of a mighty bond cementing the nations of the Western Hemisphere, I ask for the continued support by our Government of the foreign air mail service. [Applause.]

[Here the gavel fell.]

Mr. THATCHER. Mr. Chairman, I do not know that I can add anything to the very able argument that has just been made by the Member from Florida. We are not living in a horse-and-buggy age. Air development has come, and the only question is whether we are dealing with it wisely. These contracts for Latin American air mail transportation have been made under authority of Congress and these contracts run for periods of 10 years. If we should withhold appropriations and undertake to annul these contracts by this procedure, the contracting companies could go into the United States Court of Claims and recover damages.

Mr. HARE. Will the gentleman yield for a question?

Mr. THATCHER. Yes.

Mr. HARE. I have listened to the argument of the gentleman from Florida and the gentleman from Kentucky, and I am wondering whether this appropriation is made purely for foreign mail service or whether the funds are being used for the development of foreign trade and for national defense. I think the Congress ought to know whether or not these funds are used as the bill says for carrying mail, or whether the appropriations are used for developing trade in different countries, or whether they are used for purposes of national defense, because if the latter is true the relationship would be entirely different.

Mr. THATCHER. The appropriations are made, primarily, for the transportation of mail, but other considerations enter into these appropriations; considerations of foreign trade and relationship, considerations of amity between our country and the countries south of us—the countries that in the years to come must constitute the great foreign-trade resources of the United States of America. Germany, France, and other countries of the Old World are sending their fleets of the air across the sea into these countries and invite trade. They are securing trade in this way and in the very nature of things we must meet this situation. We are attempting to meet it by the execution of these contracts for the transportation of mail, and through the transportation of passengers by means of these air lines. In no other way can we hope to meet the trade competition involved.

Mr. HARE. Will the gentleman answer one more question?

Mr. THATCHER. Make it short, if you please.

Mr. HARE. The gentleman speaks of developing amity between this country and other nations. I was under the impression we had a State Department and a Consular Service, an entirely different activity, for that purpose, and it had not dawned upon me that the air mail service was being used for that purpose.

Mr. THATCHER. There is no better way to develop good will between countries than by contacts of trade, and this is an agency that functions for that purpose.

If legitimate appropriations by Congress were withheld it would amount to confiscation of hundreds of thousands of dollars, or perhaps millions of dollars of property. These companies, in good faith, relying upon these contracts, have gone into the Latin American countries and have bought certain areas for their operations and they have made contracts with local governments. At very heavy cost they have equipped their transportation lines, based upon these contracts, and if we should withhold appropriations, the practical effect of such action would be the confiscation or destruction of the property of these American concerns.

Mr. STAFFORD. Will the gentleman yield?

Mr. THATCHER. Yes.

Mr. STAFFORD. Last year when this item was under consideration one of the members of the committee gave us the amount of postal revenue that was derived from the carriage of the mail by foreign craft. Can the gentleman give the amount of that revenue?

Mr. THATCHER. I can not give it with exactness off-hand.

Mr. KELLY of Pennsylvania. If the gentleman will permit, for 1932 it amounted to \$1,075,000 as a result of this foreign mail service.

Mr. THATCHER. When the frequency of air service was increased on the west coast of South America the postal receipts of this country greatly increased; and the testimony of the officials of the Post Office Department has been that where we increase frequency, making this service more and more available, there comes an increase in the revenues of the Post Office Department and a closing of the gap between receipts and expenditures. Every just consideration requires that the amendment proposed by the gentleman from South Carolina be defeated.

In Latin America the great maritime and aviation countries are eternally vigilant and everlastingly active. The French have an air line extending from France southward through Africa to French colonial territory; thence across



the Atlantic to Pernambuco, on the east shore of Brazil; thence down the east coast, via Rio de Janeiro, to Buenos Aires; thence eastward over the Andes to Santiago, Chile. The French Government is paying to these lines much higher rates of subsidy than our Government is paying to our American air lines engaged in Latin American mail service.

German air lines operate along the east coast of South America, connecting the principal seaboard cities of Brazil with the principal cities of the Rio Plata (River Plate) region—Montevideo and Buenos Aires. The Germans also have concessions to operate air lines from Buenos Aires and Brazil into Bolivia. For some time there has been in operation in Bolivia a German-controlled company. These German lines are also subsidized. In addition the *Graf Zepelin*, the great lighter-than-air ship, has made a number of trips—all successful—from Germany to South America and return. All the aircraft involved in both these French and German operations carry mail as well as passengers.

The Italians have made a number of trial flights from Italy to South America, and these flights have been undoubtedly for the purpose of testing out the feasibility of permanent air service between that country and the Latin American countries with the idea of developing trade.

To anyone familiar with the situation, it is known that the Latin countries of Europe—France, Spain, and Italy—because of considerations of language, literature, historical background, and racial kinship feel that they should have the first call on Latin American trade and markets. It is very clear, therefore, that the moment we may cease to maintain our air contacts with the Latin American nations, the Latin countries of Europe as well as Germany, with their present air lines maintained and expanded, would be tremendously advantaged over our own country as regards Latin American trade and political relationships.

To-day the United States is linked by American air lines with all countries of Latin America and the West Indies, with the exception of Bolivia and Paraguay. The greater part of these air-line activities pivot on the Panama Canal, and they are closely coordinated with the operations of our domestic air lines. Hence, one may to-day travel by air from almost any section of the United States to any region of the great world south of us; and the reverse is also true.

In this age of speed and competition this situation means everything to our commercial development and political relationships.

If you will pardon the observation, permit me to suggest that, because of my residence in Latin America as a member of the Isthmian Canal Commission during the construction period of the Panama Canal, I believe that I am somewhat qualified to speak upon a subject of this character. I feel that I know something of the value of contacts by air and by sea between our own country and the nations in that quarter of the globe, and something also about the reaction involved by reason of these contacts. These air services between the United States and those countries I regard as being of the most vital importance, both to ourselves and to them. These services are supplemental and greatly helpful to the Panama Canal itself, as well as to our merchant marine and our general trade. To destroy these activities of the air through a withholding of appropriations—activities built up under the authority of the Congress itself, and by the expenditure of millions of dollars of American capital invested in our own and in these other lands—would, indeed, prove in its injustice and effect an act of repudiation wholly unworthy of our great Nation and one that would not be sustained by the courts.

With how much grace can we condemn France for striving to repudiate its sacred obligation to ourselves, if we endeavor to repudiate the obligations incurred through duly authorized contracts between our own Government and our own citizens? When a contract is entered into under full legal authority, let it remain a sacred obligation binding on both the contracting parties in all its terms, unless or until fraud may be shown in its execution or performance, or until the parties shall mutually modify or terminate it.

If the policy may prove unwise, it need not be maintained when the contract period shall expire. These air-mail contracts run for 10 years, and in that time the wisdom or unwisdom of the enterprise may be determined. It would hardly have been possible to have induced American capital to embark in an undertaking so uncertain and hazardous for a less period.

Our Latin American neighbors are watching us to learn whether we are merely experimenting or intend to maintain a permanent policy in our air-mail and merchant-marine operations. They know that the great European countries are intensely in earnest as regards both means of transportation. They know that they can count upon settled, abiding policies on the part of European nations to maintain air and sea transportation, whatever governmental aids and bounties may be required.

It is true that the cost of the country's air mail and shipping policies, under recently enacted legislation, has been heavy; but the need for their establishment has been of the gravest character. Not only are mails and trade served by these operations, but, because of the features of national preparedness and defense involved, the life of the Nation itself may depend on their proper development and maintenance. The frightful unpreparedness on land, on sea, and in the air, experienced by our Nation during the World War taught us the need for our development along these lines. Of course, policies of this character must be administered with the greatest care and integrity. If abuses creep into administration, they can be ferreted out and corrected. If mistakes are made, they should be rectified as soon as conditions may permit. If fraud or wrongdoing should be found at any time, the same should be dealt with, of course, in summary fashion. Let us, however, be just and fair in our judgments, and withhold condemnation unless we are prepared to submit the facts which justify it. This much I say, in the interest of fair play, and in the belief that our shipping and air mail policies should have a fair opportunity to prove their worth. I doubt not that mistakes have been made in the administration of the laws involved, just as it is inevitable that mistakes will be made in the administrative effort to carry into effect any great legislative policy involving the expenditure of large sums of money, and the planning of nation-wide and world-wide activities.

In this general connection, Mr. Chairman, permit me to emphasize the importance of sustained and continuing policies. The development of the American merchant marine should not be menaced every time we are called on to make the appropriations required by contract authorized by the act of 1928. By that act, and by the Post Office Department under the authority of that act, shipbuilders and shipowners were invited to enter into 10-year contracts with the Government—not merely to carry mails, but, as well, to render other important service in behalf of national commerce and national defense. This service, under these contracts, is not to be rendered from year to year, subject to annual appropriations, but for the full period of the contract. The work of achieving and holding a strong position in international shipping and trade is not a task for a day or a year, but one for many years of sustained and intelligent effort. Only by such effort has Great Britain been able to establish and keep upon the seven seas her great merchant marine. Had her policy been one of vacillating character this result could not have been accomplished. The American shipping lines, operating under the merchant marine act, are obligated to maintain service on routes found by the Shipping Board to be essential to American commerce. The shipping lines by contract, in all but a few cases, were required to build new, larger, and faster ships under specifications approved by the Navy Department or to modernize old ships.

Thus the element of national preparedness and protection was written into the picture. Half a million tons of new ships have been built under the act; and in the event of war these ships can be instantly taken over by the United States Government, at their fair, actual value, without any war-



time enhancement of value due to emergency considerations. Again, all officers and two-thirds of the crews must be citizens of the United States. The schedule and routes, under the law, must be satisfactory to the Postmaster General; and the act delegates to that official and to his department the authority to deal with the subject.

In the pending bill the appropriation for the transportation of foreign mail, including not exceeding \$7,000,000 for foreign air mail purposes, is \$35,500,000. This total is \$1,950,000 less than the Budget estimate involved; that is to say, for the fiscal year beginning next July. As a member of the subcommittee charged with the duty of conducting hearings upon and formulating this bill, I know that the interests of the taxpayers have been kept in mind. The Appropriations Committee, however, can not legislate, nor should there be legislation, wherever possible to prevent it, in an appropriation bill. The Appropriations Committee has no right to change the law which Congress has enacted. The most that it can do is to follow the law, and within the limits of the law itself to reduce expenditures to the lowest possible level. Under leave given me therefor I quote the following from the report of the committee touching the items under discussion, as follows:

The appropriation for transportation of foreign mail is recommended at \$35,500,000, which is the amount of the estimated expenditures for the current fiscal year. The current appropriation is \$38,695,600, of which it is estimated that approximately \$3,200,000 will remain unexpended. The Budget estimates suggested a total of \$37,450,000, a decrease of \$1,245,600 under the 1933 appropriations and approximately \$2,000,000 more than the 1933 estimated expenditures. Aside from \$7,000,000 devoted to foreign air mail transportation and carriage of ocean mail on poundage basis, practically the entire amount remaining is for ocean mail service under the subsidy provisions of the merchant marine act of 1928. These contracts are for a fixed period of years with compensation at rates per mile depending upon the class of vessels employed in the service. There are, however, certain flexible items in the contract compensation. In making the allowance of \$35,500,000 the committee feels that the expenditures for subsidy purposes should be held to the lowest possible figure consistent with existing mandatory contract requirements.

In making the deduction in the Budget estimates the committee has also eliminated the amount of \$120,400 for contract service with the Seatrain Co., about which there was considerable discussion at the last session. No compensation has been paid under this contract to date, the company foregoing pay voluntarily under the contract for mail service between New Orleans and Habana after entering the coastal business by operating car ferries between New York and Habana. So long as no payments are being made and the situation has been complicated by the coastal operations, the committee felt that deductions from the appropriations should be made.

Mr. Chairman, a study of the bill, which makes appropriations for the Treasury and Post Office Departments for the fiscal year 1934, will disclose the fact that the subcommittee, in the first instance, and the Appropriations Committee in the second, have substantially reduced the estimates submitted by the Bureau of the Budget. These reductions include the items for ocean-going and other mails wherever possible.

Mr. BYRNS. Mr. Chairman, I wonder if we can not come to some agreement as to limitation of debate on this paragraph and all amendments thereto. We have been discussing this for over an hour.

I ask unanimous consent that all debate on this paragraph and all amendments thereto be limited to 12 minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that all debate on this paragraph and all amendments thereto close in 12 minutes. Is there objection?

There was no objection.

Mr. KELLY of Pennsylvania. Mr. Chairman, every member of the committee will admit that offering an amendment to an appropriation bill striking down an established policy of government is not the proper way to legislate. The foreign air mail has had consideration on the part of the appropriate committees and has been developed to a point which should have the approval of every Member.

The gentleman from South Carolina wants to know about the business developed by the air mail service. The Postal Service in 1932 sustained a reduction in revenue of \$68,000,000. The foreign air mail had an increase of 30 per cent

in receipts. If we could have had a 30 per cent increase in all postal revenues, there would not have been a dollar of postal deficit in 1932 and we would not be struggling with that question.

There has been a continuous growth; and solely as a matter of revenue, within the period of the contracts now in valid existence we should see a self-sustaining service. Not only that but when the Post Office Committee went into this matter four years ago, we were faced with the urgent necessity of taking action. German air transportation companies already had concessions in South American countries for carrying the mail. German, French, and British companies were organized, and we faced the proposition of whether we could tolerate foreign planes carrying mail over the Panama Canal Zone. Therefore, this American-owned air mail plan was worked out, whereby we should have control of all flights over the Panama Canal. I may say that the South American Republics welcomed our action, and they are now paying for the services rendered by this great system of air mail. The total receipts include, of course, the amounts paid by foreign countries. I insist, Mr. Chairman, that this expenditure of \$7,000,000 a year is a necessary expenditure and is in reality one of the most profitable expenditures we have. With the contracts already in force under the law, we will in time have a self-sustaining service for the benefit of American business, for the promotion of good will among the Pan American nations, and for the betterment of the Postal Service.

Mr. MAAS. Mr. Chairman, the elimination of this item of \$7,000,000 for foreign air mail would not only not be an economy but would be a tremendous extravagance. I do not know of any appropriation from which we get so many benefits as we do from this particular one.

I do not know how many Members of the House have been over these lines. I have been over them a good deal, I have flown through parts of South America and Central America, and have seen at first hand the direct benefit of this expenditure. This is needed in our trade with South America, which we must keep if we are to keep any foreign trade at all. We can render more efficient delivery service and better repair service than any other country. We are also maintaining equipment for national defense, which we are getting without any direct cost to the national-defense appropriation. Most of all, however, is the business we are building up, the whole set-up, the American trade with South America is being changed to an air basis. The most fatal thing we could do is to destroy it and turn the whole thing over to European countries. [Applause.]

Mr. LUDLOW. Will the gentleman yield?

Mr. MAAS. I will.

Mr. LUDLOW. As a contribution to the forceful address made by the gentleman from Minnesota, I want to say that from January 1 to December 31, 1931, they carried 45,979 passengers, and from January 1 to September 30, 1932, 43,387 passengers. It was testified before our committee by the Second Assistant Postmaster General that practically all of these passengers were salesmen and company officials of American concerns traveling in South and Central America. I think that is corroborative of the statements made by the gentleman from Minnesota and is illuminating as well.

Mr. MAAS. I am glad of the contribution of the gentleman, and I know that a great many South American officials are traveling on these lines.

Mr. MEAD. Mr. Chairman, this legislation was sponsored by our legislative committee on postal affairs. I do not believe this amendment, which will injure our foreign air service, should be considered during the discussion of an appropriation bill.

Some time ago the House passed a resolution authorizing our committee to investigate all postal facilities, including the air mail, and the committee will shortly present its findings to the House.

We have another method of approaching this problem, and I believe our report will be both helpful and informative to



the Members of the House who are interested in the progress of our air mail.

We may recommend a field audit, whereby the revenues of all the companies will be checked, those that are operating with a high rate of efficiency, those that are to-day earning their subsidies, as well as the poorly managed, inefficient organizations that are retarding aviation's development.

There are companies in operation to-day that should be controlled and supervised, and the way in which that can be brought about is by a field audit conducted by the Post Office Department rather than by the present system of audit, which is an audit made by the companies themselves.

We found that some companies were transporting ice-cream freezers and charging it up to mail poundage. We found other companies actually earning more than the Post Office Department was giving them in the way of a subsidy, and our committee will be ready to make its report, will be ready to offer suggestions and remedies in this matter in the near future. We believe that the subsidy is justified, that it promotes not only peace and commerce but it also aids the national defense. And so I say amendments of this nature on an appropriation bill are entirely out of order, especially when a legislative committee created by this House is looking into the very subject and is about ready to make its report.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. HARE. I am glad to learn the committee is making this investigation. I am much interested in some of the findings of the report. I really did not know that they were shipping ice-cream freezers and churns and charging it up as mail. Is it the purpose of the report to recommend at the conclusion that in future subsidies be not granted for the purpose of carrying such things as ice-cream freezers, and so forth?

Mr. MEAD. We will make a very interesting report. I am sure the gentleman will agree that we are doing a good job.

I may add, however, that Pan American is paid on a mileage basis and not on a space basis, as is the case with our domestic lines. So far we have no criticism to make of our foreign air lines.

Mr. CLANCY. Mr. Chairman, many Members of the House will remember the day about five years ago this House unanimously passed a bill granting the congressional medal of honor to Col. Charles A. Lindbergh. I happened to be with him for a few nights when he was in seclusion from the curious and the hero-worshippers who besieged him, and I heard some of his brilliant plans outlined for the development of air transportation.

One United States transcontinental air company was to be backed by a railroad to the tune of \$3,000,000.

I heard some of the plans discussed to open up the Latin American routes which he later pioneered as a pilot, and which are doing a noble and useful work.

I am glad to hear the gentlewoman from Florida [Mrs. OWEN] refer to-day to his continued interest in the Latin American routes and that he has planned these six large ships to carry each 50 passengers and much freight and have a cruising radius of 2,400 miles.

Also at that time, five years ago, they discussed the northern route to Europe, which we thought was the most important of all. It was thought possible to clear a landing field in Labrador, and then one in Greenland, Iceland, and Denmark, or some other point in Europe, and jumps of five or six or seven hundred miles could safely and easily be made.

Some of these grand visions are now actualities and in operation.

There could not have been this development if it were not for the genius and foresight and generosity of the American Congress, through granting these subsidies, because these airplane companies could not have been developed nor survived otherwise and they can not survive now if these subsidies are withdrawn. There would not have been the development in aviation in the United States also, if the Army and Navy branches of the Government had not been contributed to so wisely and generously by the Con-

gress. Foreign trade, national defense, and American progress require these continued subsidies.

I hope the amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was rejected.

The Clerk read as follows:

For balances due foreign countries, \$1,000,000.

Mr. SCHAFER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER: Page 57, line 15, after the figures "\$1,000,000," insert "Provided, That no part of this appropriation shall be paid to any country which shall have failed to meet its obligations to the Government of the United States under its debt-funding agreement."

Mr. LaGUARDIA. Mr. Chairman, I make the point of order against the amendment.

Mr. BYRNS. Mr. Chairman, I make the point of order against the amendment. It undertakes to legislate on an appropriation bill in the form of a limitation, and, furthermore, is not germane.

Mr. SCHAFER. This is a limitation to save the taxpayers some money. It is clearly in order.

Mr. LaGUARDIA. Will the gentleman from Tennessee add that these payments are made under international treaties, which have all the binding effect of law? The gentleman's amendment would change existing law, and therefore this is legislation on an appropriation bill.

The CHAIRMAN. The Chair is ready to rule. The Chair feels that while it may be a limitation, it is not germane to the bill, and sustains the point of order.

Mr. SCHAFER. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to speak out of order for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SCHAFER. Mr. Chairman, this amendment was offered in good faith. Under the last Democratic administration America was driven into the Great War, notwithstanding the fact that the presidential candidate of the Democratic Party in campaign utterances promised to keep her out of war.

Mr. BARTON. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER. If the gentleman will get me some more time, I will yield.

Mr. BARTON. Will the gentleman yield for a question?

Mr. SCHAFER. No. Prior to the World War our national debt was about \$1,000,000,000. Under the Democratic administration it reached the staggering and stupendous sum of over twenty-nine and one-half billion dollars. To-day the American people and the taxpayers are carrying that burden. One-quarter of the expenditure of the taxpayers' money by the Federal Government in these days of misery and depression and despair is to pay the interest and sinking fund on those war debts.

About another one-quarter is properly appropriated for disabled veterans of that war, and their widows, orphans, and dependents. The press reports to-day indicate that the Republic of France, by an overwhelming vote, refused to pay the insignificant sum of about \$20,000,000 due on the 15th of this month, notwithstanding the fact that America saved the French Republic from extermination and notwithstanding the fact that under the liberal debt-funding agreement entered into American taxpayers were saddled with an additional burden of over \$4,683,000,000 which was relieved from the backs of the French taxpayers.

In these days of economy in America we are asked to reduce the tax burden. The international bankers, who helped drive us into the World War, demand that Congress reduce appropriations which give benefits to disabled veterans of the World War, their widows, orphans, and dependents, in the name of economy, in the name of balancing the Budget. It is too bad, from the standpoint of the American taxpayers, that the last Democratic administra-

tion when in control of the Government, even after the date of the armistice, sent billions of the taxpayers' dollars to France and the other foreign countries. We are paying now for the folly of the Democratic administration, and I sincerely hope that the new Democratic administration does not shell out the American taxpayers' money to foreign governments as the last one did.

France has the capacity to pay. She maintains a huge standing army of over 686,000 men. She had sufficient funds to carry on oppressive warfare against the Syrians and destroy the ancient city of Damascus. She had sufficient funds to maintain a huge military establishment in Alsace-Lorraine.

The little, paltry \$20,000,000 due to-morrow from the French Government is less than 3 per cent of the amount she is expending annually for military and naval and air establishments. So it is ridiculous for the American people to swallow the propaganda that France does not have the capacity to pay. As the years move on and we observe the results of this great World War which the Democratic Party launched America into, we come to realize that the late Senator La Follette, from the State of Wisconsin, was a prophet when he opposed our entrance into the war and indicated what the results would be. Do not get confused when I refer to "the late Senator La Follette, of Wisconsin." I do not refer to his son, who in the last campaign subscribed to paragraph 5 of Mr. Roosevelt's acceptance speech, thereby getting on the Woodrow Wilson Democratic administration band wagon and in glowing terms indorsing the Wilson administration—this same Democratic administration which tried its best to drive the late Senator La Follette from Wisconsin into political oblivion for fighting a noble fight for what he deemed to be right and which the passing years have proved right.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BYRNS. Mr. Chairman, the gentleman from Wisconsin states that the present situation is due to the folly of the Democratic administration. I appeal from the gentleman from Wisconsin to what was quoted in this morning's paper from the Premier of France, who says it was due to the folly of President Hoover.

Mr. SCHAFER. If the gentleman will yield, it was the Democratic Party and President who sent billions of the American taxpayers' dollars to the French and other foreign governments even after the armistice was signed.

Mr. BLANTON. Mr. Chairman, in order to get the floor, I move to strike out the enacting clause of the bill.

Mr. BYRNS. Mr. Chairman, let us not get into any discussion. Permit me to say to my friend from Texas that we are trying to conclude this bill, and the more we talk about extraneous matters, the longer Members will be kept here.

Mr. BLANTON. I only need about three minutes to reply to the Wisconsin speech.

Mr. BYRNS. I made a mistake in permitting the gentleman from Wisconsin to speak outside the limits of this bill, and I am not going to make that mistake any further, but in view of that statement, I will not object to the gentleman from Texas having three minutes.

Mr. BLANTON. That is all I want.

The gentleman from Wisconsin, who is still a Republican, in spite of the Republican reverses, and who has been a Republican for a long time, and a Republican leader here, and who followed his Republican leader and party in granting a moratorium to Europe last year is most amusing. Did not the gentleman vote for the moratorium? Did not the gentleman from Wisconsin [Mr. SCHAFER] vote for the moratorium last year? Why does he not answer? Is he speechless? [Applause and laughter.] So, all of this speech of his is folderol.

Everyone knows that France is not going to default when to-morrow comes. She can not afford it. Everyone knows that France realizes that she borrowed from this Government \$1,970,000,000 before the armistice, and she borrowed from us \$1,434,000,000 after the armistice, and it saved the

civilization and Republic of France. France knows that if she were to show base ingratitude—and the most despicable trait of the human character is ingratitude, either in the breast of the individual or in a nation—she knows that if she should exhibit such ingratitude to America, there would not be another American dollar loaned to France. This country would not let an American national ever loan another dollar to the French country or a French national. She knows that the summer tourist business from this country would be stopped, because passports would be denied to France. Do you think she is crazy? Herriot knew what he was doing when he risked the life of his cabinet in proposing that France sustain the honor of her own signature. So it is foolishness for the gentleman from Wisconsin to vote for a moratorium and then to speak as he did a while ago.

Mr. SCHAFER. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GOSS. Mr. Chairman, what happened to the motion of the gentleman from Texas to strike out the enacting clause?

Mr. BLANTON. That was a pro forma motion in order to enable me to do something I could not otherwise do.

Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GOSS. Mr. Chairman, I object.

Mr. BLANTON. Well, we will vote it down, then.

The CHAIRMAN. The question is on the motion of the gentleman from Texas.

The motion was rejected.

Mr. GOSS. Mr. Chairman, I demand a division.

Mr. BYRNS. Mr. Chairman, I move the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. McMILLAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, had come to no resolution thereon.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—  
Mr. SWICK (at the request of Mr. DARROW), for the balance of the week, on account of illness.

Mr. GILLEN, indefinitely, on account of illness.

#### MESSAGE FROM THE PRESIDENT—STUDY OF BATTLEFIELDS IN THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Military Affairs:

*To the Congress of the United States:*

In accordance with the provisions of section 2 of the act of June 11, 1926, I transmit herewith for the information of the Congress the report of the Secretary of War of progress made under said act, together with his recommendations for further operations.

HERBERT HOOVER.

THE WHITE HOUSE, December 14, 1932.

#### FEDERAL-AID HIGHWAYS

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent that the bill (H. R. 13025) to extend the time during which the emergency appropriation for Federal-aid highways shall be available for expenditure be withdrawn from the Committee on Ways and Means and referred to the Committee on Roads. The chairmen of both committees join in the request.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.



## DEMOCRATIC PARTY AND BUREAUCRACY

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, if there is one fact particularly emphasized by the election on November 8 it is that the people of the United States voted themselves a new deal. The basic cause of the amazing political revolution that took place at the ballot box was economic. The people voted for food and for clothes and they asserted their God-given right to work. They voted to rehabilitate poverty-stricken homes and to end the hunger marches. They voted to substitute the song of happiness for the sad refrain that has been heard incessantly in every State and section in these years of travail. The verdict of the electors unfolds to the Democratic Party a wonderful opportunity and with it an awe-inspiring responsibility.

By their votes the people commanded that the ax be applied to the roots of bureaucracy. They expect, and have a right to expect, an early, resolute, and faithful compliance with that plank of our Democratic national platform which pledges us to "an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance."

That pledge was the economic *pièce de résistance*, the economic core of our platform—a magnet that drew to the support of the Democratic Party countless thousands who are oppressed by an unbearable burden of taxation caused by bureaucratic waste and excesses and who are clamoring for the new deal.

By reason of that pledge the reorganization of the Government of the United States to eliminate bureaucracy and extravagance and to set an example to the States for like action becomes an immediate and imperative duty devolving upon those who are charged with the responsibility of speaking and acting for the Democratic Party in the new régime. And what an epochal task it is!

The plan of Washington, Jefferson, and the other founding fathers of this Nation contemplated that all of the functions of government should be transacted through the great departments which, starting with 4 in Washington's time have grown to 10, but this original foundation, the most beautiful structure of government ever known to mortal man, has become covered with bureaucratic excrescences and wasteful tax-eating agencies until a volume of 147 printed pages, which may be seen in the Library of Congress, is required merely to catalogue the bureaus, boards, commissions, and tax-consuming appendages of the United States Government! To remove these excrescences and to restore the Government of our fathers to its pristine simplicity and vigor so that it will again function for the benefit of the common man is the challenge to twentieth century effort. No less a task than this faces the Democratic Party upon its restoration to power in all of the branches of government.

We find that the Federal Government of to-day is a conglomeration of multiplied overheads, a perfect maze of duplicated activities, bureaus founded on a shoestring to serve some special purpose or special interest now spending millions and spreading their meddlesome activities over a continent; bureaus with more hands than the fabled Briareus reaching for the money of the taxpayers; 4,000 disbursing officers engaged in disbursing Government funds when Comptroller General McCarl with his own lips told me a few weeks ago that at least 3,960 of that number could be dispensed with and the country would be better off; everywhere activities overinflated, perniciously paternalistic, and many with no excuse for existence, while favored special beneficiaries and interests fatten on the tribute levied from the taxpayers.

The reorganization plan of President Hoover, which was sent to Congress December 9, while it contains some good features, hardly scratches the surface. It is in the main

merely a reclassification and rearrangement of bureaus without a reduction of personnel and with only a bagatelle of saving. Reorganization must go much farther and strike much deeper if the Nation is to be divested of the menacing and costly peril of bureaucracy which oppresses the taxpayers and threatens the perpetuity of our institutions, and it will be up to President-elect Roosevelt to approach the task in a more fundamental way.

To Franklin D. Roosevelt, with his splendid mind and vast experience, is committed the leadership in this great fight to redeem the Nation from the thralldom of bureaucracy. He has demonstrated vision and courage abundantly, and I have faith to believe that, monumental as the task is, he has ability to cope with it successfully. His shoulders are broad and his will is firm.

One of the inalienable privileges of every American citizen is the privilege of making suggestions to the President of his country. As one of 120,000,000 citizens, I have exercised this *pro bono publico* right by sending a letter to President-elect Roosevelt suggesting that he take steps at once to appoint an unsalaried committee or group of advisers to study bureaucracy this winter so that governmental reorganization may become the first order of business in the new administration, and thus disposal of the subject may be prompt and effective. With indulgence of the House I shall close my remarks by reading this letter, as follows:

NOVEMBER 25, 1932.

HON. FRANKLIN D. ROOSEVELT,  
Warm Springs, Ga.

DEAR GOVERNOR ROOSEVELT: Please permit me to present a suggestion which I believe to be timely. It is that you consider the advisability of appointing at once an unsalaried committee or small group of unofficial advisers to take up for early study and determination the problem of reorganizing the Government in compliance with that provision of the Democratic national platform, which says:

"We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 per cent in the cost of Federal Government."

As I see it, the prompt, faithful, and complete fulfillment of this platform pledge, on which the economic recovery and welfare of the country so greatly depends, is the most important obligation now facing the Democratic Party under your leadership. The entire Nation is looking forward to early and energetic action in carrying out this pledge. Much-needed economies are necessarily retarded until the whole problem of governmental reorganization can be considered in all of its aspects and interrelations. To illustrate: It was testified the other day before our Committee on Appropriations, by Robert Le Fevre, superintendent of supplies, that there are 400 or 500 Government purchasing agencies and that a consolidation of these and elimination of overheads probably would effect a saving of half a million dollars a year in the District of Columbia alone. This leak of the taxpayers' money necessarily will go on until a general consolidation is accomplished, and this is only a lesser one of a thousand similar situations in the Government service which it would be a crying shame to continue a day longer than they can be corrected, and which can be cured by a faithful execution of this pledge of our national platform.

By appointing an unofficial advisory committee on Government reorganization now and directing it to sit during the winter months in close association and cooperation with the sources of information at Washington, you could have presented to you for your information and guidance, and for the information of the Congress, a definite, concrete plan of reorganizing the Government by the time the Congress reconvenes in special session next spring, if there shall be a special session, and in any event it will place this accomplishment so far ahead and in the foreground that the country will take heart, and general confidence in economic recovery will be promoted.

This is a matter in which the Congress should, and undoubtedly will, recognize your leadership. I do not know to what extent the Congress can legally commit the reorganization of the Government to the Executive, but as one Member of the law-making body, I do not believe an effective reorganization ever will be accomplished unless it is done by the President. He must submit to the Congress the complete and perfected plan and the Congress, or at least a substantial majority thereof, must agree to accept the President's plan if we are to achieve the results our bureaucracy-ridden country is demanding and which it has a right to expect in the light of our unequivocal platform pledge.

My excuse for writing to you and suggesting that you take early action in this direction, in order that the preliminaries may be disposed of prior to the convening of the next Congress, comes from a keen realization of the importance of this issue as a *sine qua non* of national stability and a deep conviction that the happiness of our people is being throttled and American institutions

are being endangered by the costly, overshadowing bureaucracy that now oppresses the Nation.

With the very best wishes for the success of your administration,

Faithfully yours,

LOUIS LUDLOW.

#### ANNOUNCEMENT

Mr. DARROW. Mr. Speaker, on yesterday my colleague the gentleman from Pennsylvania [Mr. SWICK] was confined to his home on account of illness. He wishes me to state that had he been here he would have voted "yea" on roll call 131 on the McFadden impeachment resolution.

#### SENATE BILLS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 4553. An act for the relief of Elizabeth Millicent Trammell; to the Committee on Foreign Affairs.

S. 4767. An act for the relief of Mucia Alger; to the Committee on Foreign Affairs.

S. J. Res. 195. Joint resolution granting permission to Hugh S. Cumming, Surgeon General of the United States Public Health Service; John D. Long, medical director, United States Public Health Service; and Clifford R. Eskey, surgeon, United States Public Health Service, to accept and wear certain decorations bestowed upon them by the Governments of Ecuador, Chile, and Cuba; to the Committee on Military Affairs.

S. J. Res. 197. Joint resolution conferring jurisdiction upon the Court of Claims to render findings of fact in the claim of P. F. Gormley Co.; to the Committee on War Claims.

#### JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on December 13, 1931, present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 503. Joint resolution authorizing the payment of December salaries of officers and employees of the Senate and House of Representatives, Capitol police, etc., on the 20th day of that month.

#### ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.) the House adjourned until to-morrow, Thursday, December 15, 1932, at 12 o'clock noon.

#### COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Thursday, December 15, 1932, as reported to the floor leader:

##### AGRICULTURE

(10 a. m.)

Hearings on farm program.

##### SHANNON SPECIAL COMMITTEE

(10 a. m.)

Continue hearings on Government competition with private enterprise.

##### RIVERS AND HARBORS

(10.30 a. m.)

Hearings on New Jersey shore-protection project.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SUMNERS of Texas: Committee on the Judiciary. S. 4095. An act to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight

or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913, as amended (U. S. C., title 18, secs. 409-411), by extending its provisions to provide for the punishment of stealing or otherwise unlawful taking of property from passenger cars, sleeping cars, or dining cars, or from passengers on such cars, while such cars are parts of interstate trains, and authorizing prosecution therefor in any district in which the defendant may have taken or been in possession of the property stolen or otherwise unlawfully taken; with amendment (Rept. No. 1791). Referred to the House Calendar.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WARREN: Committee on Accounts. House Resolution 313. A resolution to pay Ide Early, son of William Early, six months' compensation and an additional amount, not exceeding \$250, to defray funeral expenses of the said William Early (Rept. No. 1790). Ordered to be printed.

#### CHANGE OF REFERENCE

Under clause 3 of Rule XXII, the Committee on Ways and Means was discharged from the consideration of the bill (H. R. 13025) to extend the time during which the emergency appropriation for Federal-aid highways shall be available for expenditure, and the same was referred to the Committee on Roads.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONNOLLY: A bill (H. R. 13652) to authorize the Secretary of War to sell to the highest bidder the port of Newark Army base, giving the preference to purchase to the city of Newark; to the Committee on Military Affairs.

By Mr. MARTIN of Massachusetts: A bill (H. R. 13653) to amend the revenue act of 1932 by repealing section 605; to the Committee on Ways and Means.

By Mr. VINSON of Georgia: A bill (H. R. 13654) to increase the statutory limit for repairs and alterations to capital ships of the Navy; to the Committee on Naval Affairs.

By Mr. WARREN: A bill (H. R. 13655) to amend the act of May 10, 1928, entitled "An act to provide for the times and places for holding court for the eastern district of North Carolina" (45 Stat. 495); to the Committee on the Judiciary.

By Mr. HOWARD: A bill (H. R. 13656) to provide for the method of appointment of superintendents of Indian reservations and certain other employees of the Bureau of Indian Affairs of the Department of the Interior; to the Committee on Indian Affairs.

By Mr. McFADDEN: A bill (H. R. 13657) to extend the provisions of the Reconstruction Finance Corporation act and the emergency relief and construction act of 1932 to the Virgin Islands; to the Committee on Banking and Currency.

By Mr. LONERGAN: A bill (H. R. 13658) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciuszko; to the Committee on the Post Office and Post Roads.

By Mr. ALLEN: A bill (H. R. 13659) granting the consent of Congress to the State of Illinois to construct a bridge across the Rock River south of Moline, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLIER: A bill (H. R. 13660) to prohibit the importation of articles from certain countries, and for other purposes; to the Committee on Ways and Means.

By Mr. KNUTSON: A bill (H. R. 13661) relative to the securities of foreign governments which have defaulted in their contract obligations to the United States; to the Committee on the Judiciary.

By Mr. DAVIS of Tennessee: A bill (H. R. 13662) to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promot-



ing the dairy industry of the United States and protecting the public health; to the Committee on Agriculture.

By Mr. FULBRIGHT: A bill (H. R. 13663) proposing a 25 per cent reduction in the salaries of the Members of the House of Representatives; to the Committee on Expenditures in the Executive Departments.

By Mrs. KAHN: A bill (H. R. 13664) to authorize the construction and use of underground pneumatic-tube service; to the Committee on the Post Office and Post Roads.

By Mr. BOEHNE: A bill (H. R. 13665) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cannelton, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. MANSFIELD: A resolution (H. Res. 321) disapproving part of the Executive order dated December 9, 1932; to the Committee on Expenditures in the Executive Departments.

By Mr. SMITH of Idaho: Joint resolution (H. J. Res. 507) authorizing the removal of certain statues from Statuary Hall to the corridor running north and south on the ground floor of the House wing of the Capitol; to the Committee on the Library.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY: A bill (H. R. 13666) granting a pension to Annie A. Edwards; to the Committee on Pensions.

By Mr. BACHMANN: A bill (H. R. 13667) granting a pension to Matilda Anderson, née Carpenter; to the Committee on Invalid Pensions.

By Mr. BLACK: A bill (H. R. 13668) for the relief of Laurence R. Lennon; to the Committee on Claims.

By Mr. CULKIN: A bill (H. R. 13669) for the relief of Rose Louise Trapolina; to the Committee on Claims.

By Mr. FINLEY: A bill (H. R. 13670) for the relief of Luther M. Anderson; to the Committee on Military Affairs.

By Mr. HANCOCK of New York: A bill (H. R. 13671) for the relief of Elizabeth Millicent Trammell; to the Committee on Foreign Affairs.

By Mr. HARDY: A bill (H. R. 13672) granting a pension to Minnie Lea Crump; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 13673) for the relief of Milton Smith; to the Committee on Naval Affairs.

By Mr. HOGG of Indiana: A bill (H. R. 13674) granting an increase of pension to Malinda McGinnes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13675) granting an increase of pension to Elizabeth Hire; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13676) granting a pension to Mary E. Michaud; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13677) granting an increase of pension to Minerva Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13678) granting an increase of pension to Nancy C. Lett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13679) granting an increase of pension to Sophia Kniss; to the Committee on Invalid Pensions.

By Mr. HOLLISTER: A bill (H. R. 13680) for the relief of John S. Pryor; to the Committee on Military Affairs.

By Mr. SCHNEIDER: A bill (H. R. 13681) granting an increase of pension to Fannie Muttart; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 13682) granting an increase of pension to Amanda J. Griswold; to the Committee on Invalid Pensions.

By Mr. STULL: A bill (H. R. 13683) for the relief of Grant William Moore; to the Committee on Naval Affairs.

By Mr. LAMNECK: A bill (H. R. 13684) granting a pension to Estella H. Long; to the Committee on Pensions.

By Mr. LEAVITT: A bill (H. R. 13685) for the relief of the Hood Labor Office; to the Committee on Claims.

By Mr. LEWIS: A bill (H. R. 13686) granting a pension to Almira Yost; to the Committee on Invalid Pensions.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 13687) granting a pension to Armor Ellsworth Needy; to the Committee on Pensions.

By Mr. McFADDEN: A bill (H. R. 13688) granting an increase of pension to Rachel A. Scott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13689) granting an increase of pension to Martha J. Capwell; to the Committee on Invalid Pensions.

By Mr. McREYNOLDS: A bill (H. R. 13690) for the relief of Bernard Cyrus Snyder; to the Committee on Military Affairs.

By Mr. MANLOVE: A bill (H. R. 13691) granting an increase of pension to Sarah Hitchcock; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13692) granting an increase of pension to Maria M. Parmele; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13693) granting a pension to Eva Whittington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13694) granting a pension to E. Jane Spencer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13695) granting an increase of pension to Eliza J. Keith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13696) granting an increase of pension to Helen Dorsey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13697) granting a pension to Mary E. R. J. Murray; to the Committee on Invalid Pensions.

By Mr. MOBLEY: A bill (H. R. 13698) granting a pension to John H. Wilder; to the Committee on Pensions.

By Mr. NELSON of Wisconsin: A bill (H. R. 13699) granting a pension to Joseph Armstrong; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H. R. 13700) granting an increase of pension to Hannah Bailey; to the Committee on Invalid Pensions.

Also, a bill (13701) granting an increase of pension to Susanah Cooper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13702) granting an increase of pension to Estelle Eby; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13703) granting an increase of pension to Ida S. Fasnaugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13704) granting an increase of pension to Mary M. Poling; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13705) granting an increase of pension to Alwilda Ray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13706) granting a pension to Ira B. Jeffries; to the Committee on Pensions.

Also, a bill (H. R. 13707) granting a pension to Debbie Klingler; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 13708) for the relief of John Barnett; to the Committee on Military Affairs.

Also, a bill (H. R. 13709) granting a pension to Sallie Deaton; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8899. By Mr. BLAND: Petition of 20 citizens of Messick, Va., urging passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

8900. Also, petition of 14 citizens of Elizabeth City and York Counties, Va., urging passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

8901. By Mr. CAMPBELL of Iowa: Petition of 54 voters of Ireton, Sioux County, Iowa, protesting against changes in the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

8902. Also, petition of the pastors of the Methodist Episcopal Church, Reform Church, and the Presbyterian Church of Ireton, Iowa, urging the passage of the stop-alien representation amendment to the United States Constitution; to the Committee on the Census.

8903. By Mr. COCHRAN of Pennsylvania: Petition of 148 citizens of Rimersburg, Pa., urging the passage of the stop-alien amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Census.

8904. Also, resolution signed by Mrs. J. J. Garber, president, and Lilla A. Bathurst, secretary, of the Woman's Home Missionary Society, with 40 members, of Clarendon, Pa., urging the establishment of a Federal motion-picture commission, with a view to regulating and supervising the motion-picture industry as a public utility; and further urging the passage of Senate bill 1079 and Senate Resolution 170, now before the Interstate Commerce Committee; to the Committee on Interstate and Foreign Commerce.

8905. By Mr. CONDON: Petition of Arthur E. Haun and 149 other citizens of Rhode Island, protesting against the repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

8906. By Mr. CULKIN: Petition of Rev. A. Leslie Potter and 23 other citizens of Black River, Jefferson County, N. Y., urging the adoption of the so-called stop-alien representation amendment to exclude aliens when making future apportionment for congressional districts; to the Committee on the Judiciary.

8907. Also, petition of Rev. B. G. Miller and 41 other citizens of Brownville, Jefferson County, N. Y., urging the exclusion of aliens when making apportionments for congressional districts; to the Committee on the Judiciary.

8908. Also, petition of Woman's Home Missionary Society of Oswego, N. Y., urging censorship of motion pictures and the establishment of a Federal motion picture commission for this purpose; to the Committee on Interstate and Foreign Commerce.

8909. By Mr. ESTEP: Memorial of Rev. William M. Baumgartner, pastor, and 66 members of the congregation of Mary S. Brown Memorial Methodist Episcopal Church, of Pittsburgh, Pa., protesting against any legislation that would legalize beer and light wine or otherwise weaken our national prohibition law; to the Committee on Ways and Means.

8910. Also, memorial of Rev. R. B. Johnson, minister of the Fourth United Presbyterian Church, of Pittsburgh, Pa., and members of the congregation, protesting against any legislation that would legalize beer and light wine or otherwise weaken our national prohibition law; to the Committee on Ways and Means.

8911. Also, memorial of Rev. William Howard Ryall, minister, and 21 members of the congregation of the Lemington Presbyterian Church, of Pittsburgh, Pa., protesting against any legislation that would legalize beer and light wine or otherwise weaken our national prohibition law; to the Committee on Ways and Means.

8912. Also, memorial of Sophia C. Fishel, Mary R. Fishel, and Ida L. Fishel, of Pittsburgh, Pa., protesting against any nullification of the eighteenth amendment or modification of the national prohibition act; to the Committee on Ways and Means.

8913. Also, memorial of the Women's Foreign Missionary Society of the Friendship Park Methodist Episcopal Church, of Pittsburgh, Pa., protesting against repeal of the eighteenth amendment or modification of the Volstead Act; to the Committee on Ways and Means.

8914. Also, memorial of the Young Ladies' Adult Bible Class, Pittsburgh, Pa., expressing satisfaction with the present prohibition laws and requesting their retention and stricter enforcement; to the Committee on Ways and Means.

8915. Also, memorial of 30 members of the Altman Bible Class, Pittsburgh, Pa., protesting against any repeal of the eighteenth amendment or modification of the national prohibition act; to the Committee on Ways and Means.

8916. By Mr. GARBER: Petition of the Minnesota Woman's Christian Temperance Union, urging retention of the prohibition laws; to the Committee on Ways and Means.

8917. Also, petition urging support of Senate bill 4646 and House bill 9891; to the Committee on Interstate and Foreign Commerce.

8918. By Mr. GUYER: Petition of citizens of Osawatomie, Kans., favoring the retention and enforcement of the Volstead Act and the eighteenth amendment; to the Committee on Ways and Means.

8919. By Mr. HOUSTON of Delaware: Petition of 44 residents of Lewes, Del., favoring the stop-alien representation amendment; to the Committee on Immigration and Naturalization.

8920. Also, petition of 52 members of the Laurel (Del.) Woman's Christian Temperance Union, favoring the stop-alien representation amendment; to the Committee on Immigration and Naturalization.

8921. Also, petition of 19 residents of Harrington, Del., favoring the stop-alien representation amendment; to the Committee on Immigration and Naturalization.

8922. By Mr. KOPP: Petition of Mrs. W. B. Smith and other citizens of Yarmouth, Iowa, urging support for the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in the country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Census.

8923. By Mr. LINDSAY: Petition of International Brotherhood of Paper Makers, Local No. 45, Deferiet, N. Y., favoring immediate tariff protection of the pulp and paper industry; to the Committee on Ways and Means.

8924. By Mr. MURPHY: Petition of 35 citizens of Kensington, Columbiana County, Ohio, protesting against any measures seeking to nullify the Constitution by legalizing beer, an intoxicating beverage; to the Committee on the Judiciary.

8925. By Mr. PARKER of Georgia: Petition of W. M. Whelpley, Savannah, Ga., and 46 others, expressing disappointment on account of my vote against House Joint Resolution 480; to the Committee on Ways and Means.

8926. Also, memorial of the Evangelistic Club of Homer-ville, Ga., expressing appreciation of my vote on House Joint Resolution 480; to the Committee on Ways and Means.

8927. Also, memorial of the Woman Christian Temperance Union of Greensboro, Ga., expressing their thanks and appreciation of vote against the repeal of the eighteenth amendment; to the Committee on Ways and Means.

8928. Also, petition of Mr. and Mrs. J. F. Funderburk, of Richland, Ga., and 37 others, requesting vote against legalizing the sale of beer; to the Committee on Ways and Means.

8929. Also, petition of 141 members of the Tifton (Ga.) Woman's Christian Temperance Union, protesting against any change in the eighteenth amendment or the Volstead Act; to the Committee on Ways and Means.

8930. Also, memorial of the Georgia Baptist Convention, declaring itself strongly against the repeal of the eighteenth amendment; to the Committee on Ways and Means.

8931. Also, memorial of Shiloh Sunday School, Reidsville, Ga., extending congratulations for vote against repeal of the eighteenth amendment; to the Committee on Ways and Means.

8932. Also, memorial of Women's Missionary Society of the Bull Street Baptist Church, Savannah, Ga., urging that no change be made in prohibition law; to the Committee on Ways and Means.

8933. Also, memorial of the Woman's Christian Temperance Union of Screven County, Ga., protesting against any change in the prohibition law; to the Committee on Ways and Means.

8934. Also, petition of Mrs. J. Beasley and 42 other members of the Reidsville (Ga.) Woman's Christian Temperance Union, protesting any change in the prohibition law; to the Committee on Ways and Means.



8935. By Mr. RUDD: Petition of International Brotherhood of Paper Makers, Local No. 45, Deferiet, N. Y., favoring tariff protection of the pulp and paper industry; to the Committee on Ways and Means.

8936. By Mr. SMITH of West Virginia: Resolution of the Woman's Home Missionary Society of the Methodist Church of Charleston, W. Va., favoring Federal supervision of the motion-picture industry, etc.; to the Committee on Interstate and Foreign Commerce.

8937. Also, resolution of the Young Women's Auxiliary of the Sixth Street Methodist Church, Charleston, W. Va., favoring Federal supervision of the motion-picture industry, etc.; to the Committee on Interstate and Foreign Commerce.

8938. By Mr. SNELL: Petition of residents of Ticonderoga, N. Y., urging prompt action on stop-alien representation amendment; to the Committee on the Judiciary.

8939. By Mr. STRONG of Pennsylvania: Petition of the Methodist Episcopal Church of Homer City, Pa., favoring the proposed amendment to the Constitution of the United States to exclude aliens in the count for the apportionment of Representatives among the several States; to the Committee on the Judiciary.

8940. By Mr. SWING: Petition of 35 members of the Methodist Women's Council and Woman's Christian Temperance Union of Corona, Calif., in behalf of the stop-alien representation amendment to the Constitution of the United States to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

8941. Also, petition of the Nonpartisan League of Imperial, Calif., indorsing Congressman PATMAN's proposition for paying the American Legion members by Congress issuing emergency currency good for all debts public and private and retiring said certificates of indebtedness; and protesting any new Federal tax increase to pay Government expenses; to the Committee on Ways and Means.

8942. Also, petition of 50 citizens of Costa Mesa, Calif., in behalf of the "stop alien representation" amendment to the Constitution of the United States to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

8943. By Mr. TIERNEY: Petition of Ignatius K. Werwinski, requesting that October 11 of each year be declared General Pulaski's Memorial Day; to the Committee on the Judiciary.

8944. By Mr. TURPIN: Petition of citizens of Luzerne County, Pa., urging passage of "stop-alien representation" amendment to the United States Constitution; to the Committee on the Judiciary.

8945. By Mr. WHITE: Petition of Woman's Home Missionary Society of the St. John's Methodist Church, Toledo, Ohio, pertaining to regulation of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

8946. Also, petition of the Young Women's Home Missionary Society of the St. John's Methodist Episcopal Church, Toledo, Ohio, pertaining to regulation of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

8947. Also, petition of Grace Canfield Auxiliary of the Home Missionary Society, Toledo, Ohio, pertaining to Federal regulation of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

8948. By Mr. WITHROW: Petition of the congregation of the Methodist Episcopal Church of Tomah, Wis., petitioning the Congress of the United States against the legalization of beer and the resubmission of the eighteenth amendment; to the Committee on Ways and Means.

8949. Also, petition of the congregation of the Church of God of Tomah, Wis., petitioning the Congress of the United States against the legalization of beer and the resubmission of the eighteenth amendment; to the Committee on Ways and Means.

8950. By the SPEAKER: Petition of veterans' committee, urging immediate cash payment of the adjusted-service certificates and other veterans' legislation; to the Committee on Ways and Means.

## SENATE

THURSDAY, DECEMBER 15, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 42) to extend the time for the filing of the report of the United States Roanoke Colony Commission, in which it requested the concurrence of the Senate.

### ROANOKE COLONY COMMISSION

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to take from the Vice President's desk the House concurrent resolution which has just come over from the House, and I ask for its immediate consideration. The time in which the commission must report expires to-day, and there is necessity for an extension. The extension is until the 15th of January. I think there will be no objection. I ask that the concurrent resolution be reported.

The VICE PRESIDENT. The concurrent resolution will be read for the information of the Senate.

The Chief Clerk read the concurrent resolution.

The VICE PRESIDENT. Is there objection?

There being no objection, the concurrent resolution (H. Con. Res. 42) was considered by unanimous consent and agreed to, as follows:

*Resolved by the House of Representatives (the Senate concurring).* That section 6 of the House concurrent resolution establishing the United States Roanoke Colony Commission, Seventy-second Congress, be, and the same is hereby, amended to read as follows:

"Sec. 6. That the commission shall, on or before the 15th day of January, 1933, make a report to the Congress in order that enabling legislation may be enacted."

### CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Kean	Schall
Austin	Davis	Kendrick	Schuyler
Bailey	Dickinson	Keyes	Shipstead
Bankhead	Dill	King	Shortridge
Barbour	Fess	La Follette	Smith
Barkley	Frazier	Logan	Smoot
Bingham	George	Long	Steiwer
Black	Glass	McGill	Swanson
Blaine	Glenn	McKellar	Thomas, Okla.
Borah	Goldsborough	McNary	Townsend
Broussard	Gore	Metcalf	Trammell
Bulkey	Grammer	Moses	Tydings
Bulow	Hale	Neely	Vandenberg
Byrnes	Harrison	Norbeck	Wagner
Capper	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hawes	Patterson	Walsh, Mont.
Coolidge	Hayden	Pittman	Watson
Copeland	Hebert	Reed	White
Costigan	Howell	Reynolds	
Couzens	Hull	Robinson, Ark.	
Cutting	Johnson	Robinson, Ind.	

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained in attendance on the funeral of the late Representative Garrett.

I also desire to announce that the Senator from Illinois [Mr. LEWIS] is detained on official business.